



Daily Report

Latin America

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Daily Report

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Belize Leaves Central American, EU Summit
PA3103040994 Mexico City NOTIMEX in Spanish
1254 GMT 29 Mar 94

[Report by Lucia Perez Moreno]

[Text] Athens, 29 Mar (NOTIMEX)—Belize today abandoned the 10th Central American and European Union [EU] Foreign Ministers' Meeting after Greece, the host country, withdrew its observer status.

The incident occurred after the Guatemalan delegation asked Theodoros Pangalos, current chairman of the European Council of Ministers, to withdraw Belize's status as observer at the ministerial meeting.

"Belize's participation in the San Jose meetings will depend on the context of negotiations on the territorial dispute," it was stated to NOTIMEX by Guatemalan Foreign Minister Gladys Marithza Ruiz de Vielman.

Guatemala and Belize established diplomatic relations in 1981, although the two countries have yet to settle a territorial dispute.

"We were invited by the council's chairman. We do not consider this the place to discuss differences between Guatemala and Belize," said Ursula Brown, Belize's ambassador to the United Kingdom, shortly before her departure.

A participant in the meeting said Greece made "a mistake in formalities" when it invited Belize as an observer without first consulting with the Central American country.

The problem arose when the Belizean representative stood close to the EU and Central American foreign ministers when posing for a group picture of the meeting, which is currently being held at an elegant hotel on the outskirts of the Greek capital.

Belize, with a population of 200,000, achieved its independence from the United Kingdom in 1986, and Guatemala has demanded the return of part of their common border since then.

Although Belize had been invited to participate as an observer in other international forums on Central America, this was the first time it had been invited to participate in the San Jose Summit.

Cuba

Dissident Views Chances for Peaceful Change

BR0104133694 Paris LE MONDE in French 1 Apr 94
p 5

[Report on interview with Elizardo Sanchez Santa-Cruz, Cuban dissident and president of the Commission on Human Rights and Reconciliation, by Dominique Dhombres in Havana; date not given: "Cuban Society Has Become an Explosive Cocktail"]

[Text] A car filled with sinister-looking, plain-clothes policemen drives slowly around the block of houses. On the front door, you can still see the marks left by other representatives of "law and order" who recently broke it down. In the past few years, this peaceful house in the Playa residential area in west Havana has been "visited" a total of nine times by the police with varying degrees of heavy-handedness. This is the home of Elizardo Sanchez Santa-Cruz, a leading Cuban dissident and president of the Commission on Human Rights and Reconciliation—an unofficial body, of course, and one which has been a constant cause of concern for the political police since it was founded in 1987.

The head of the household, who has spent more than eight of the last 12 years behind bars and who declares himself to be "in the opposition for 26 years," shows us a few of his personal photographs. In one, he stands smiling with the head of the Spanish Government, Felipe Gonzalez, while in another he is seen with Ted Kennedy, brother of the assassinated president and Democrat senator for Massachusetts.

'Country Is Immense Concentration Camp'

Twice "Elizardo" has been allowed to travel abroad. He explains: "Both times, the authorities wanted to make a good impression on the rest of the world. Then they stepped up the repression when I returned."

"Elizardo" is a resolute opponent and the current authorities have made him pay dearly for it. What makes him different, however, is that he represents the social-democracy movement. He refuses to join the Miami expatriates who are pushing for a return to raw capitalism and the "good old days" of Batista, the dictator overthrown by Castro in 1959. He explains: "We want change for Cuba to come with a minimum loss of human life. What we are suggesting is gradual democratic reform, in the same way, for example, that Spain got rid of 'Francoism' and Chile did away with 'Pinochetism.'"

He takes a dim view of the current situation in Cuba: "The country is an immense concentration camp. There are prisons everywhere." He even comes up with the figure, impossible to verify, of 100,000 prisoners, both "common law" and political detainees, out of a total of just over 10 million inhabitants. This would give Cuba the highest proportional rate of imprisonment in the world, with approximately one in 10 citizens in jail....

"Cuban society has become an Molotov cocktail. All the ingredients are there, after 35 years of totalitarianism. There is the accumulated hate of all those people who have been the victims of denunciation, and those people whose homes have been attacked, sometimes by their neighbors, during 'disavowal actions' (demonstrations of hostility against opponents of the regime, supposedly spontaneous but in fact organized by the authorities). Nor should we forget that there are hundreds of thousands of veterans from the African wars who know full well how to fight. If the authorities hesitate and if weapons are available, it could turn into a blood bath. This is why we are proposing national reconciliation with a general amnesty, like in Chile or Central America. No one can be prosecuted by the authorities for their previous political activities. There are about 1 million members of the Communist Party in Cuba, and most of them are good people..."

"Elizardo" is aware that this desire for "reconciliation" scarcely pleases—to be euphemistic—the anti-Castro groups in Miami. The last straw for someone who has spent so long in prison is to be accused of being an agent of the regime by expatriate organizations demanding a severe purging when Castro has been overthrown. In the peace and quiet of Florida or New Jersey, it is easy for the most extreme expatriates to forecast the imminent fall of the Communist system and to delight in imagining scenarios where, for example, the former owners of tobacco and cane sugar plantations will have their property returned to them and the hotels and tourist beaches will be put up for auction.

'Romanian or Czech Model'

For "Elizardo," it is clear that things will not happen that way. His prime concern is that a blood bath be avoided. Then again, who knows how long this system can continue, since it did not crumble, as people had often said it would, with the disappearance of the USSR and the "socialist camp." Fidel Castro may be 66 years old, but he enjoys excellent, even blooming health; he does not drink and he has given up smoking his legendary cigars. "Elizardo" concludes: "Sooner or later, change will come. The question is knowing whether it will follow the Romanian model or the Czech model." He would, of course, prefer a Cuban version of the "Velvet Revolution."

The same analysis prevails with Western diplomats stationed in Havana. Even if most of them prefer not to openly frequent dissidents, they are fully aware of the position tirelessly defended by Elizardo Sanchez Santa-Cruz and his friends. One of them said: "Castro has made considerable concessions by decriminalizing the possession of dollars by private individuals, but on the political front he has not budged an inch. We have to think about what will happen in the next few years if he remains this inflexible. He will either be gently retired by the more lucid members of the regime's 'young guard,' or he will be brutally overthrown in a bloody uprising."

This "young guard," which the dissidents admit exists, is made up of people in their forties who were practically born with the Revolution and whom Castro has promoted to key posts in recent years—people like Carlos Lage, who controls the whole economic sector, or Roberto Robaina, formerly charged with youth policy and now foreign minister. They are the "fresh, young faces" whom the bearded patriarch has taken some pleasure in promoting over the heads of some of his former comrades in arms with long-standing experience.

Obviously, they cannot, according to the very strict code governing the system, speak publicly about Castro's succession. They are thinking about it, however, and apparently have permission, in recent months, to voice a few of their thoughts to foreigners. This "young guard," therefore, is trying to relay the following message: The Americans must first lift the embargo. Castro himself would be ready to step down with dignity if he could be sure that everything he had accomplished would not collapse in a few hours. Institutional solutions can be found, but for the time being there is no question of talking to opponents like "Elizardo," especially since, in the eyes of the Socialist International, he would be the ideal choice to succeed the "Lider Maximo." The "young guard" is certainly ready to take over the reins, but its most brilliant members are well aware that, for years, the unenviable fate of the real or supposed successors to Castro has been disgrace, exile, or death.

Experts Discuss Nuclear Program

FL0104022794 Havana Cuba Vision Network in Spanish 0200 GMT 30 Mar 94

["Open Agenda" program with host Antonio Resillez and guests Daniel Codorniu and Gilberto Salazar from the Nuclear Affairs Executive Secretariat, SEAN—live]

[Text] [Resillez] Given the postponement of the Juragua Nuclear Plant project in Cienfuegos, many people were under the impression that in effect, the Cuban nuclear program was being axed. This postponement was announced by Commander in Chief Fidel Castro in September 1992. It has been 18 months since then. Tonight, we will discuss this issue of great interest to our people.

In the latest issue of the specialized magazine NUCLEOS, Dr. Daniel Codorniu, deputy secretary of the Cuban Nuclear Affairs Executive Secretariat [SEAN] states: The nuclear program is not only alive, it beats at the same rate as the great challenges our nation faces today. Dr. Codorniu is here with us. We also have engineer Gilberto Salazar, vice president of SEAN. Doctor, what is the main focus of SEAN today?

[Codorniu] First, I want to thank this program for giving us the opportunity to explain these issues to our people. I would like to begin by saying that in general, the doubts you mentioned arise from the fact that when people hear, "nuclear program," they think only of the nuclear plant. Although electricity generation is the main application

of this technology, it is not the only one. There are numerous uses of atomic power worldwide, ranging from electricity generation to cancer treatment and the use of radiation to fight agricultural pests.

The Cuban nuclear program, from its onset several years ago, was conceived as a multifold and multilateral program. Our program was never tied only to the nuclear plant, although the plant was its centerpiece. Our program always included two main areas: electricity production—nuclear energy. We are still working on this because the Juragua plant project has been postponed, but not killed. We can discuss this further on.

Another important area is the use of radioisotopes and radiation in a variety of sectors nationwide. In this area, we are working in four [as heard] main sectors: The use of this technology in the nation's most important programs, like biotechnology; the pharmaceutical industry; health; the food program; support to primary industries in terms of efficiency, like the nickel, oil, and sugar industries. There is also a program related to the environment and its ties to tourism.

Perhaps, we ought to clarify what we mean by radioisotopes and radiation. This jargon is well known to many, but it is wise to explain that radioisotopes are a specific variety of unstable chemical elements, not the common ones with which we are all familiar. This instability results in the emission of high-energy particles leading to their disintegration into other elements. This is what is known as radiation. These unstable elements are the radioactive isotopes. Why are they important? Why do they have so many uses? First of all, because by emitting radioactive particles, we can register the process with equipment; we can tell where they are. It is similar to a race in the dark, with the runner carrying a torch. This is what happens with the isotopes. A radioactive isotope can be injected into a patient or into industrial pipes and its progress can be monitored. These are called radioactive tracers. They have many uses. The radiation that isotopes emit affects and modifies specific targets. This is why it can be used to modify a cancerous tumor, improve the properties of a material, or induce genetic changes in plants. Thus, the importance of its applications.

[Resillez] I believe later on we can discuss in detail these programs in which SEAN is participating. I would like now to discuss the 1993 SEAN assessment report. I read this report and I have seen that it emphasizes, and I quote: During this period, work has been conducted [passage indistinct]. Further on, the report affirms that the scientific accomplishments for 1993 are far greater than in previous years.

What is meant by the statement in the report that you had serious financial and material limitations?

[Codorniu] I believe this is not a problem specific to SEAN. It is somewhat a reflection of the ongoing national situation, the special period. This has also significantly affected our work.

Our program, as is well known, was closely linked to the former USSR and the now-dismantled socialist bloc. Many of the resources came from there. We had important cooperation. We have also had the normal limitations with energy resources. Last year, we worked with 38 percent of the fuel and 39 percent of the electricity we used in 1990.

Well, I do not think this is a special situation, but a situation affecting most institutions. I can add that the country continued making tremendous efforts in providing resources in some areas closely related to these programs we are discussing. This activity, for instance, has received important support.

[Resillez] Dr. Codorniu, isn't there some contradiction between these severe limitations and what you are achieving; that is, better results than in the previous years, as stated in the final report?

[Codorniu] Well, I do not believe that achieving better results with fewer resources is specific or unique to our (?area). I would rather say that this is due to the forward steps our country is taking in the scientific field. I believe that if we were to make an analysis of the many scientific institutions in our country, we would find a similar situation. Here we must begin with the fact that scientific activity was consolidated in one single year. We are talking about crystallizing a series of activities in which we have been working for many years.

In the 1980's, the country made a tremendous effort to provide resources and train personnel for this activity, and I think we are now reaping the fruits. I must add that our own limitations have helped change the mentality of our researchers, our experts, and our cadres, in the sense of working much more in concrete programs, in programs which will be able to answer the country's most important needs. Above all, we have also learned to overcome the prevailing contradiction between work at laboratory level and work in the factory, the achievement of a product. What was achieved today I attribute essentially to this: We have achieved more with fewer resources. But I wish to repeat that this is not something characteristic of our work alone.

[Resillez] Codorniu, what achievements are mentioned in the report? That is, what basic achievements can you mention?

[Codorniu] Well, I can mention some of the most important results of our scientific-technical activity in 1993 because it would be impossible to discuss everything. I am going to refer to the most important ones, beginning with those that are perhaps closer to the viewers' concerns. For instance, in the agricultural area we have been able to expand the production of three different varieties of rice through radiation. These varieties are obtained by the effects of radiation on the seed. This is something our experts, together with experts in the agriculture field, carried out for years. Thus, three varieties of rice have

been obtained with better properties in the grain quality and the possibility of working with them under conditions needing less water.

Another important result is related to the assembly and tuning of equipment with the use of a radioactive source that helps to exactly determine the limit between water and petroleum in a petroleum well. This, of course, has had great importance to all petroleum research activities.

I also wish to mention the result obtained by our colleagues from the territorial delegation of Holguin, related to the installation and tuning of another radioactive system which helps systematically determine the density of nickel carbonate pulp [pulpa] at the Benito Che Guevara Company in Moa. This prevents stoppages—which are often very costly—for not having these guidelines well under control, especially in this industry which is so important to the country.

I can also mention a method developed this year that allows the use of devices for open-heart surgery, cardiovascular surgeries. These devices are imported and sterilized by radiation, but this sterilization has an expiration date. We managed to make this sterilization work in the country. I could add that the first applications of this work by the end of 1993 have helped the country save more than \$90,000 during the first stage alone. This can be extended to many other areas.

As you can see, these are concrete achievements of the national effort. We are talking about rice, petroleum, nickel, and health levels. This year we also have a very important result, obtained by the Radiation Protection Center, in coordination with the three territorial delegations we have in Holguin, Cienfuegos, and Camaguey, related to the study of the Environmental Radioactive Fund of the Republic of Cuba. This is an important result because it helps detect levels of radioactive elements in the environment. There are always small amounts of radioactive elements in the environment. These must be known and kept under control; especially, for instance, if the Juragua Plant begins operating. We must be aware of any variation in the radioactive level or detect any abnormality that could take place in neighboring countries so as to adopt the appropriate measures. We already have this. It has also helped us discover that radiation levels in our environment are low. This study was also carried out in zones with tourism prospects and on some beaches on the northern coast of the island. We can say that our beaches can be attractive to tourists not only because of their natural beauty or the quality of the sand, but also because the presence of natural radioactive elements is very low, which is not so in all developed nations.

[Resillez] Can I deduce that the last achievement you mentioned is something like a protective shield for the country? I think it can help us detect any possible radioactive spread, regardless of where it comes from.

[Codorniu] Of course. And I would like to add that this is the result of a study carried out for years. We are

talking about studies conducted for eight or ten years, and the use of a lot of working equipment. We can thus say that this is not the result from 1993 alone, but from many years.

[Resillez] Engineer Salazar, what is meant by SEAN's own production?

[Salazar] Well, to conduct a nuclear program successfully, there are four essential elements that must be fulfilled: qualified personnel, updated literature on scientific and technical information, regular and efficient supplies of radioactive sources, and adequate equipment to measure them. SEAN has been successful in the latter two aspects, and these are SEAN's own achievements. That is, SEAN has managed to supply, in a regular, efficient, and stable manner, the radioactive sources and the equipment adequate to measure them.

Three radiopharmaceutical products are already being produced at the Center for Isotopes, which is temporarily headquartered at [name indistinct]. These radiopharmaceutical products are normally used in heart treatments. They are (Ipuran), which is linked to renal research; pyrophosphate, which is used in research on brain activities; and DTPA [expansion unknown], which also has to do with heart, brain, and renal research. These are compound elements that used to be imported, but which we have now succeeded in producing in a stable manner, thereby replacing imports in increasingly larger amounts.

A isotope center is now under construction in La Victoria Valley on the national highway at km 14.5, where these elements can be produced in a staggered manner. We intend to increase, this year and in the coming years, the production of these elements. This is a great and important project which will also have important economic repercussions for the country. With the production of these radiopharmaceutical products in 1993, the country spent some \$65,300; but if these products were to be imported, they would have cost some \$177,400. This means this production has saved a little more than \$112,000 for the country. That is, it also has an important economic reward for the country.

We have also been working on the production line of some equipment that helps measure radiation. They are, for instance, the radiometers—a total of 60 have already been produced in the country—and other equipment that helps measure surface contaminations, which are important for any nuclear program. Some companies have monopolized this production. Also, as a consequence of the blockade, it is becoming increasingly more difficult for us to have access to that technology. Moreover, we have managed to progress in this field and to produce these elements at a much lower cost, ranging between 30 and 50 percent of the price of this equipment on the international market. This also allows us to sever our dependency, a dependency that implies the need to guarantee repairs and maintenance of this equipment.

[Resillez] Engineer, this aspect you are outlining is certainly very important, and what Dr. Codorniu reported is also very important. But I am suddenly overwhelmed by a serious concern. I have the impression that these 27 minutes of the program are insufficient, especially for giving a visual picture of what SEAN is doing in the nuclear field. Before continuing this dialogue, an idea suddenly comes to mind, and I hope it will not disturb you, because the idea I have is to resume this dialogue next Tuesday. But I want to resume this discussion in a way that will give a better visual report to our viewers of these most interesting achievements. Some 48 hours ago, I had the opportunity to visit with Engineer Salazar and Dr. Codorniu at all of these places and to see how interesting and well-trained these people are. They are developing a very complex, but agreeable technology in all respects. I would like to know whether you would agree to resume these discussions next Tuesday with a more visual report of all these things. Do you agree with this idea?

[Codorniu] Yes, we agree. I think it will be an opportunity to expand this report and to show some pictures of the achievements of our experts.

[Resillez] Thank you very much. I will take your word that you agree to return next Tuesday. Engineer, in Cuba there are 192 installations working with radiological or nuclear substances. In the same report mentioned at the beginning of this program concerning an assessment of this year's work, I suddenly remember that there are 192 installations in the country, but that only 91 have licenses that provide security for this type of work. Does this percentage—which I consider low—imply that there could be some risk for one or many people in the country?

[Salazar] By no means, Resillez. It is true that there are 192 institutions using radioactive substances. But of these 192 institutions, only 116 must submit to a licensing process, while the remaining 76, because of the activity they are conducting, must only be registered. One of SEAN's responsibilities is to control all the work being carried out in this area, both radiological and nuclear activity. The National Center for Nuclear Safety, where these experts are working, is in charge of inspecting all those institutions, especially those that need only be registered. They are inspected every two years to see the conditions under which they are working. There are 91 institutions that need to have a license, while 25 are in the process of obtaining their licenses.

[Resillez] Thank you, Engineer. Dr. Codorniu, you are a deputy of the National Assembly [of the People's Government, ANPP] and vice president of one of the working subcommissions. We understand that the ANPP is in favor of maintaining the nuclear option as a certain possibility for the country in the future. We would like to know SEAN's opinion on this and how is it working. And by the way, many viewers have been asking during the program what news is there about (?nuclear energy).

[Resillez] Well, I think this is a very interesting question. We feel that nuclear energy is an important alternative for the country's future, and we are not saying this just because of our recommendations, but because we have analyzed the elements [pauses], of course the country is looking for a short-term solution to the energy problem by using natural resources, the bagasse, the Cuban crude oil, etc. But in the long- and medium-terms, we must also consider the nuclear option as an alternative, and not the only one. Of course, we already have Juragua. We can say that the conservation plan has been fulfilled. Our Minbas [Ministry of Basic Industry] colleagues, who are our current investors, have made a tremendous effort. So far, all installations are satisfactory. This allows us to carry on when conditions permit.

In addition to this, we are intensely working for our government and for our colleagues from Minbas, seeking alternatives to continue this project because of its importance for the country. That is, we already have this, and we also have a scientific-technical structure. We have achieved some experience in this field, and if we analyze the world situation concerning nuclear energy, which, regardless of its detractors and some setbacks such as the Chernobyl accident and others, is still one of the essential alternatives in the world's energy development. There are more than 400 electricity-producing nuclear plants throughout the world, and 17 percent of electricity generated is of nuclear origin. We must also consider the fact that this is a developing technology. So some progress has been achieved in this field, and we think—not only because we want to stick to this idea, but because of the analysis we have made—that this is an alternative that should be taken under consideration. We must also begin from the point that what we might do in the future will depend on what the experts are capable of doing. We already have an important contingent of Cuban experts working with our own force and our own intelligence.

[Resillez] Thank you very much, Dr. Codorniu and Engineer Salazar, for participating in this Open Agenda program, during which we have been discussing the Cuban nuclear program.

Robaina on Emigre Community Agenda

FL3103162494 Havana Radio Progreso Network in Spanish 1200 GMT 31 Mar 94

[Text] Foreign Minister Roberto Robaina has announced that he has sent confirmations to a majority of the people invited to the conference entitled The Nation and the Emigre Community, which is to be held in Havana during the second half of April. After adding that there will be no extremist parties at the meeting with representatives of the Cuban community abroad, Robaina stressed that the goal of the meeting is not to discuss Cuba's political future but mainly to discuss emigration policies to improve the emigres' ties with their homeland. Robaina added that the meeting will

probably devote many hours to the emigration issues and Cuban democracy as well as intellectual, artistic, and academic exchanges.

Robaina went on to say that Cuba's economic situation is beginning to improve and that the worst is over. He added that after bottoming out, Cuba's economy has begun a process of recovery, and that, in comparison with those of 1993, this year's results are different and somewhat encouraging.

Optimistic About Conference

FL3103221894 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Mar 94

[Text] Foreign Minister Roberto Robaina trusts in the success of the April conference, which will bring together representatives of the Cuban Government and a portion of the Cuban community abroad. Robaina announced that so far, the majority of invitations for The Nation and the Emigre Community Conference have been accepted. Robaina reiterated that extremists (la histeria) are not invited to this meeting. Robaina added that the meetings will focus on immigration, the parliamentary system, family reunification, and travel procedures, but that the Cuban organizers are open to including other subjects.

[Radio Rebelde adds later in the cast that at Robaina's invitation and in his company, members of the diplomatic corps are visiting the Isle of Youth Municipality]

Diplomatic Mission To Open in Barbados

FL3103221794 Havana Radio Rebelde Network in Spanish 1821 GMT 31 Mar 94

[Text] Next week, Cuba will open a diplomatic mission in Barbados, which will help promote commercial, cultural, and sports relations with all eastern Caribbean as part of Cuba's integration into that region.

Cuba and Barbados established diplomatic relations on 8 December 1992 [as heard], but now the opportunity to establish a mission in Bridgetown has arisen because of Cuba's closer ties with the Anglo-Caribbean community, Caricom.

Lazaro Cabezas, Cuba's current ambassador to eastern Caribbean, stressed that the main objectives of his mission are to strengthen economic and commercial ties as well as to promote culture and sports ties. Cabezas represents Cuba in St. Vincent and the Grenadines, the Bahamas, St. Lucia, and Trinidad and Tobago. The only countries in that region yet to formalize diplomatic ties with Cuba are Dominica, St. Kitts and Nevis, and Antigua and Barbuda.

Communications Minister Praises Holguin Workers

FL3103221694 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Mar 94

[Text] Brigadier General Silvano Colas Sanchez, communications minister, has visited the Provinces of Granma and Santiago de Cuba. In Granma, the general described several Communications Ministry enterprises' work in installing new television transmitters as very positive. This has upgraded signal reception, mainly in Bayamo City. In Santiago de Cuba, the minister discussed aspects of the project to install two new television transmitters, which will be conducted shortly, and the progress of expanding new telephone lines, which is being conducted at the main telephone station in Santiago de Cuba.

During his extensive trip, the minister met with the workers of each facility, discussed quality service indexes, and criticized subjective problems that worsen the effect of the resources shortage and the special period. Finally, he urged the workers to improve telephone and postal services and to close ranks against those who hurt the prestige of the workers of this sector.

Zambian Foreign Minister Visits Santiago de Cuba

FL0104031894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Apr 94

[Report by Angel Leon Cabrera]

[Text] Today, Zambian Foreign Minister Remmy Kaindu Gilly Mushota visited Santiago de Cuba. During his stay in this province, he visited some places of historical and economic interest like the Antonio Maceo Revolution Square, Moncada Garrison, Siboney Farm, and the old Bacardi rum factory. He expressed interest in the province's history.

At the Medical Sciences University, he exchanged ideas with ten Zambian students who are majoring in technological and medical sciences. The Zambian foreign minister stressed the importance this aid has for his country. He said Zambia hopes to have 300 medical doctors by the end of this year. For this, Cuban cooperation is decisive. The Zambian delegation returned to Havana in the afternoon.

Havana Cites AIDS Figures, Ambulatory Program

FL3103222894 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Mar 94

[Text] Dr. Rigoberto Torres, an expert on AIDS, has told this newscast that despite significant economic limitations, over 60 participants in a new ambulatory program have their food supplies guaranteed and the same access to treatment and medicines as hospitalized patients. Torres added that the diet program includes eggs, meat, fish, milk, tubers, and vegetables to bolster the regular

diet received by every Cuban citizen. Torres acknowledged, however, that this special diet is below the 4,000-calorie diet the patients received while at the sanatoriums and which is still being provided to those living there.

The Cuban hospitalization program began in 1986. Since then, 1,011 HIV carriers have been detected. Epidemiologists believe, however, that there could be another 200 undetected cases. So far, 164 people have died of AIDS, 12 of them due to unrelated causes. Full-blown AIDS currently effects 256 individuals. The life expectancy of an HIV carrier in Cuba averages 12 years, while the average for AIDS cases is 1.5 years. These indexes are relatively high in comparison with world statistics.

Outpatient Program Described

FL3103162594 Havana Radio Progreso Network in Spanish 1230 GMT 31 Mar 94

[Text] Rigoberto Torres, deputy director of the sanatorium in Santiago de las Vegas, has announced that there are approximately 60 HIV-positive people participating in the outpatient treatment program. Although most seropositive people are in sanatoriums, outpatient treatment has been used for years with certain patients, who continue to work and live at home. Lately, the number of such people has increased.

To place members in the outpatient program, an evaluation and guidance committee, composed of specialists in internal medicine, epidemiologists, psychologists, nurses, [words indistinct] the patients of the essential requirements.

Torres, who is deputy director of the largest of Cuba's 11 AIDS sanatoriums, added that HIV-positive patients must watch over their own and other people's health, become responsible, stay with the same sexual partner and, if changing partners, inform the new partner that they are HIV-positive.

Provincial Assembly Holds Special Session

FL3103171594 Havana Radio Rebelde Network in Spanish 1000 GMT 31 Mar 94

[Text] More than 1 million quintals of potatoes have been harvested in Havana Province from 50 percent of the land planted in potatoes. This was announced at a special session of the Provincial Assembly of the People's Government of Havana Province. Alberto Beltran, president of the provincial agriculture and food committee, stated that there are 735,000 quintals in the cold-storage facilities and that measures are being taken to complete the harvest successfully and avoid illegal diversions of products.

The participants in the meeting described as positive the progress of the harvest, the efforts being made in education during the current school year, and the preparations for the next school year as positive. Education Minister Luis Ignacio Gomez stressed that the province's workers

are seriously working to increase the quality of the educational process, and added his ministry's praises in this regard.

Sugar Workers Rewarded for 'Outstanding Work'

FL3103224594 Havana Radio Rebelde Network in Spanish 1000 GMT 31 Mar 94

[Text] Thousands of workers and their families from the Free Algeria Agroindustrial Complex in Las Tunas were given moral and material rewards as a result of the outstanding work done in the current harvest tasks. Labor union leaders advised that 328 workers received bicycles; 325 received various articles from local shops; and 30 received paid vacations at tourist centers in Las Tunas Province. As a result of the sugar harvest special emulation, more than 1,800 workers received pay increases; 20 received new homes; and the homes of 25 workers were repaired.

Manati Municipality is the best in Las Tunas Province regarding attention given to the sugar worker, which includes recognizing the best Committees for the Defense of the Revolution and cultural and sports activities for the workers.

Minag Delegate Discusses Worker Redistribution

FL3103233494 Havana Radio Rebelde Network in Spanish 1000 GMT 31 Mar 94

[Text] Since 1990, the Ministry of Agriculture [Minag] has relocated approximately 5,000 workers to production and service positions in Matanzas. That attitude has allowed 70 percent of workers to be directly involved in the production of goods and for the rest to be employed in technical, administrative, and management positions.

Noel Lopez, a Minag delegate in Matanzas, stated that with the creation of 41 Basic Cooperative Production Units [UBPC's], work relations have improved even more. He stated that even though UBPC's have not been created in the pork, fish, and citrus branches, organizational measures have increased the number of workers who directly participate in production. He stated that in Matanzas' citrus sector, 83 percent of the more than 600 excess workers from various sectors are now directly employed in agricultural tasks.

Commentary Defends Self-Employment

94CA0083A Havana JUVENTUD REBELDE in Spanish 20 Feb 94 p 4

[Commentary by Jose Alejandro Rodriguez]

[Text] As with everything that break with tradition, self-employment has sparked controversy in Cuban society. And the spectrum of opinions covers everything from advocating a complete deregulation of this activity, eliminating all controls and restraints, to a fear of any flexibility, and a rejection of even the most modest variants of self-employment.

The wisest course of action is to look at the phenomenon in balanced terms. At a time of serious economic contraction, it is a palliative for employment difficulties; it can assure the population of goods and services and resolve myriad daily problems by using everyone's initiative. Furthermore, it represents an opportunity to relieve the state of some burdens. But we must not limit its *raison d'être* to temporary problems alone. This type of employment is a new element that is being incorporated into the Cuban labor system, a feasible alternative that is part of the qualitative changes taking place in our economy.

It is natural that Decree-Law 141, promulgated by the Council of State just five months ago to authorize self-employment, has raised many questions, and that its implementation has been a matter of trial and error, with many ups and downs. It is the course of events that dictates what procedures are to be followed and what changes need to be made. Because a decree, in and of itself, cannot account for reality.

More than 137,000 Cubans are already working for themselves in more than 100 occupations, ranging from plasterer to musical instrument tuner, from palm tree trimmer to potter. It is an inescapable reality that brings new questions: How can this movement, which is elbowing its way into the Cuban economy, be guided correctly? How far will it go? What are its vulnerable sides? How does it fit into the collectivist, socializing approach that has predominated in our society?

The first thing we must do is convince ourselves that, economically, politically, and socially speaking, this labor variant is by no means alien to our socialist formula, and can in fact enrich it with a breath of fresh air that will not represent a course change. There is no reason to fear self-employment, and there is every reason to accept its advantages and challenges. Otherwise, we would have to give up and turn our backs on it, because it is easier to say no to something we are unable to accept.

The question is how to accept it. The spirit of Decree-Law 141 comes through loud and clear when it describes the active role the territorial governments and the neighborhood structures known as popular councils are to play in the control and monitoring of this activity to make sure it does not go bad or become corrupt. Moral rectitude and social discipline should be premises of this decentralizing phenomenon.

But we cannot remain focused on the mere purpose of the law. The initial experiences have shown us that it is in the places where this task has been undertaken with enthusiasm and conviction that the fewest distortions and abuses have occurred, and that the decree has been implemented with the fewest problems.

It is essential that we distinguish the true self-employed worker, that man who, through his individual effort and

striving, aspires to earn more than the average income, provided that he earns it by honest effort and clean business practices.

He has nothing to do with the man who has stolen state property and, through tricks and dodges, thumbs his nose at the people's needs and shortages and displays his flashy greed, sometimes even refusing to accept the institutionalization of his status. This type of person generally does not register his business. We must vindicate the many honorable self-employed workers who are lumped together with unscrupulous speculators and wheeler-dealers.

There is no denying that some self-employed workers have also gotten involved in shady deals. It is undeniable that at a time of severe shortages, when it is impossible for the state to guarantee the availability of raw materials and supplies, not everyone can resist the temptation to get hold of materials through dubious channels; but that is no excuse for people to blame the respectable occupation of self-employment. Throwing out the baby with the bath water is never a good idea.

A decree is being considered that would levy fines for irregularities in the implementation of Decree-Law 141. A rigorous inspection system would be set up. The popular council is supposed to establish a monitoring system to accomplish this task, and to exert control over this activity. And naturally, we must put this phenomenon in perspective. Neither self-employment nor any of the other measures that are being taken are mere band-aids; and to the extent that our economy shows signs of recovery and production picks up, the state can gradually assume its role as balancer or supplier.

Another regulating mechanism would be taxation and the control of self-employed workers' income. The tax that has been levied on their income is minuscule, but it is subject to increases as their income grows, just as it is everywhere else in the world. Income tax returns are one way of discovering malfeasance.

But to be fair, it is not healthy to blame self-employment for the diversion of resources, although it can occur there, just as well as in any other segment of society. Theft must be neutralized at the time and place where it occurs; every problem must be solved wherever it arises.

The self-employed should be subject to the same scrutiny as state workers, officials, or peasants. The only way this type of employment will smoothly fit into our economic environment is if it is born healthy, under the watchful eye of popular control and the discipline that the state must enforce. In this way alone will we be able to guarantee the right of honest people to make their living through self-employment.

Editorial Addresses Shortages, Productivity

94CA0083B Havana TRABAJADORES in Spanish 21
Feb 94 p 2

[Editorial: "Shortages and Vicious Circles"]

[Text] As the Workplace Parliament becomes a more common occurrence, more often than not the analysis does not stop at the harmful effects of the financial imbalance, but goes on to consider proposals concerning production, efficiency, the functioning of the business system, and the serious problems involved in stimulating work.

This qualitative change in the popular debate has occurred because it has become apparent that it is the shortage of supply, not an exaggerated increase in income, that has essentially created the phenomenon of excess liquidity, which is having serious economic and social repercussions.

People are becoming more and more aware that, although the abrupt decrease in supply is associated with external factors (the disruption of Cuba's economic and commercial ties with the former socialist world and the reinforcement of the blockade), the recovery of supply now depends above all on our ability to develop internal capacities for revitalization and economic growth.

And it is becoming clear that completely overcoming the shortage is not something that can be accomplished merely by manipulating certain variables that might reduce solvent demand, such as prices, taxes, and other monetary factors. Rather, it has to be accomplished by making positive changes in the most concrete factor in the economy, the place where the production of value is verified.

We must recall, to avoid harboring unfounded hopes, that any financial measures that may be taken will not have an immediate or absolute effect of boosting production or increasing supply, because their function is to serve as a bridge to provide access to revitalization.

And it should also be emphasized that it is unreasonable to expect the elimination of the shortage to occur uniformly, all at once, and equally for all citizens.

To understand this assertion, it is not enough to say that egalitarianism is a tendency that we must banish; we have to start from the notion that Cuba does not now have any external financing that would enable it to put to work a broad range of idle productive capacities in the short term, or to increase supply and stimulate work through consumption, as was done in the 1970's when external financing made it possible to create the parallel market.

And that is the vicious circle that workers see when they realize that the internal financial imbalance and low consumption, equitably distributed, erode the motivating force of wages, which is a factor that tends to weaken productive efficiency.

To break this vicious circle, it is imperative that we continue the policy of distributing available resources appropriately to certain sectors of the economy where spending will have the maximum multiplier effect. These sectors must be given not only the necessary supplies for

production, but also a complement of consumer goods so that the workers can spend their income and thus counter the pernicious effect of shortages.

We are talking, then, about a crucial measure that is in the process of being implemented and should figure more prominently in the deliberations of the Workplace Parliaments, even though it is not on the agenda for the next session of the National Assembly and is not strictly a financial matter.

But this is an economic policy that also requires a broad consensus, given that our limited resources must be channeled preferentially toward activities such as sugar, mining, tobacco, coffee, oil drilling, biotechnology, the manufacture of medical and pharmaceutical products, tourism, agricultural food production, and others that directly generate foreign exchange income or are essential for the country's economic functioning and social life, such as public health and education.

Applying this policy in a consistent manner would promote the stabilization of those sectors, and would gradually create the surpluses needed for the recovery of other sectors, which would contribute to broader reproduction until the recovery of the national economy and the normal development of society became a reality.

In these priority sectors, which can play the role of "engines" of the economy, in addition to greater stimulation of work, the improvement of business practices must be established as an extensible premise. These sectors must have enough decisionmaking power and autonomy to ensure, without excuses, reasonable levels and increases in economic efficiency.

But it is our contention that this viable solution requires a consensus, because the allocation of resources to these multiplier activities is limited by the austere sacrifice required of other sectors, which, for a time, cannot aspire to the same levels of consumption.

This limitation, which is qualified by the national commitment not to leave any sector of the Cuban population out in the cold, makes it necessary to consider the decisive role that moral, ideological, and political factors must continue to play in the revitalization of the country's economy.

For that very reason, it is of vital importance that all workers be able to understand thoroughly the complexity of our situation, the viability of possible solutions, and the orientation toward changes that will help us win, little by little, the battle for efficiency and economic recovery.

Haiti

U.S. Official on Peace Plan, Sanctions

FL3103203894 Port-au-Prince Radio Metropole in French 1145 GMT 31 Mar 94

[Text] The big news on the political and economic level is the Americans' warning, who are trying to strengthen the embargo against Haiti, especially as regards fuel. This time there is talk of tightening the sanctions at the Haitian-Dominican frontier. Rothschild Francois Jr. filed a report:

[Begin Francois recording] A high-ranking U.S. Administration official has said: The United States is studying an option to strengthen sanctions against Haiti by discussing with the Dominican Republic ways of preventing the embargo from being by-passed with regards to oil. This official, who asked to remain anonymous, also said in Coronado, California, where President Bill Clinton is on vacation, that exiled President Jean-Bertrand Aristide has not yet told Washington his position on the new U.S. plan aimed at allowing him to return to power.

The official reminded that this plan is a combination of strong sanctions to exert pressure on the current regime and a political process in Haiti that must help create conditions for a full return to democracy. He added: During the past few days, we have discussed with the Dominican Republic how we can reinforce the sanctions and reduce fuel trafficking through its Haitian land border and by sea. Those discussions went pretty well, continued the U.S. official. [end recording]

Moreover, the official said Jean-Bertrand Aristide had not personally and officially informed the U.S. administration his position on the new plan aimed at allowing him to return to power. Remember that in a press release on 28 March, the exiled president insisted on the need for the military to resign as the first step of a peace plan for Haiti. The U.S. initiative provides for the simultaneous appointment of a new prime minister and resignation by Haiti's current government, meaning the military authorities, who would be given amnesty.

The high-ranking U.S. official added: The United States tried, through this new plan, to satisfy some of President Aristide's concerns, and we are going to work with him on it. Jean-Bertrand Aristide seems to fear that the political process in question might become an alternative to his return to Haiti, but that was never what we had in mind, said the U.S. official.

Ad Hoc Government To Be Formed If 'Resolution' Rejected

FL3103191194 Port-au-Prince Signal FM Radio in French 1130 GMT 31 Mar 94

[Text] Bernard Sansaricq, president of the [unofficial] Senate Office, says the Senate will analyze the proposal of the political leaders delegation headed by Hubert De Ronceray. On 29 March, the [Coordinating] Committee

for National Mobilization submitted a resolution to the Senate from those opposed to Aristide asking that Article 149 of the Haitian Constitution be implemented. Mobilization for National Development leader Hubert de Ronceray has stated that, should the parliament fail to follow up on this request, an ad hoc government will be formed.

Sansaricq intends to gather the senators, or at least the members of the Alliance [for Parliamentary Cohesion] and the parliamentarians who were elected on 18 January, to discuss the issue.

[Begin Sansaricq recording] The conversation, which lasted nearly an hour, was very cordial. We took note of the text that was submitted to us by this delegation, and we hasten to inform the public that this resolution will be submitted to the members of the Senate for approval as soon as possible, disregarding the formality regarding three full days mentioned in the text of the resolution.

At this crucial moment in the national life, the Senate of the Republic is willing to look into, examine any and all resolutions aimed at bringing about a reasonable solution to the serious crisis the nation is experiencing. [end recording]

Chamber President Threatens To Appoint Prime Minister

FL0104004194 Port-au-Prince Radio Metropole in French 1700 GMT 31 Mar 94

[Text] Chamber of Deputies President Frantz Robert Monde is threatening to appoint a prime minister if President-in-exile Jean-Bertrand Aristide persists in refusing to do so. According to the president of the lower chamber, it is a constitutional duty, and we must think of endowing the country with a government within the next few days, with or without President Aristide's approval. We are two months away from elections in the Dominican Republic. These threaten to be stormy. Various political sectors demand that the institutional vacuum be filled. The Chamber of Deputies president said it is necessary to consider the measures to be taken so this vacuum can be filled by President Aristide as soon as possible. In case President Aristide's refuses, we have prepared a parliamentary plan to solve the crisis and we are sticking to it, he pointed out, adding that patience has its limits.

It should be noted, however, that the president of the lower chamber has remained aloof from the resolution bill submitted on 29 March by a coalition of political parties calling for the formation of an ad hoc government. Edner Jean filed a report:

[Begin recording] [Jean] President Aristide's categorical refusal to appoint a new prime minister is putting Frantz Robert Monde's nerves to the test. My patience has limits, he said angrily in the presence of the journalists who were questioning him on the future of the parliamentary plan in comparison with new steps proposed by

Washington. It should be noted that until now, Frantz Robert Monde had developed and maintained a consensus around him, with the result of a more-or-less normal running of the Chamber of Deputies. In the face of the political caprices of the president of the Republic, however, the deputy from Anse-a-Veau is threatening to give up his role as arbitrator to return to his camp, which is opposed to Aristide's.

We must think of endowing the country with a government within the next few days, with or without President Aristide's approval, stated the president of the lower chamber. The upcoming elections in the Dominican Republic can only reinforce concerns, but also the determination of President Monde.

[Monde] We are two months away from elections in the Dominican Republic, which threaten to be very stormy. The institutional vacuum is tempting to the political sectors. Those sectors on the political scene are demanding that this institutional vacuum be filled, that measures must be considered as soon as possible so this institutional vacuum can be filled by President Aristide. It is a constitutional duty not linked to any conditions. We must make him understand that patience has its limits. We have prepared a plan. We will stick to it. This plan was inspired in its conception and was not influenced by either Aristide or the Army. This plan must be executed or what must be done will be done.

[Jean] Frantz Robert Monde is losing patience. He refuses to be tempted, however, by new political adventures. Since the beginning of his mandate, the president of the lower chamber has known how to cleverly avoid efforts of the Group of Citizens of the Greater North with its Government of Public Safety; the ad hoc government of CARENA [Action Committee for National Reconciliation]; as well as the application of Article 149 of the Constitution, advocated by MDN [Mobilization for National Development] and FRAPH [Front for Haitian Advancement and Progress]. These political formations, rallying within the Coordination Committee for National Mobilization, are renewing their attack, and have submitted a resolution integrating their various proposals to parliament. Here again, President Monde is very cautious and expresses reservations.

[Monde] Having a new government is not going to relieve the misery of the people. It is not going to reverse the instability of our institutions, the degradation of the social level of the Haitian people. What I am primarily interested in now is any solution that can contribute to the improvement of the living conditions of the people and defend my country's interests.

[Unidentified reporter] You gave a deadline of next Wednesday.

[Monde] I do not receive deadlines from anyone. Any solution that is not aimed at lifting the sanctions has no viable chance of defending this country's interests.

[Jean] To this, one can add that Frantz Robert Monde has always stated that he would be the last to leave his office if parliament is attacked. This obviously remains to be proven. [end recording]

Army Moves Troops Out of Chiapas Conflict Areas*PA0104034294 Mexico City NOTIMEX in Spanish 0152 GMT 1 Apr 94*

[Text] Tuxtla Gutierrez, 31 Mar (NOTIMEX)—Today, the Mexican Army announced it was transferring troops out of the conflict areas in southeastern Chiapas, sending them to rest and relaxation areas outside the region. The Chiapas 7th Military Regional Command reported moving the troops stationed in the municipalities of Ocosingo, Altamirano, Las Margaritas, and San Cristobal de Las Casas to rest and relaxation areas started this Thursday.

In a communique issued in Tuxtla Gutierrez, Chiapas State capital city, 1,050 km southeast of Mexico City, authorities explained the purpose of the movement is to give "adequate rest" to the troops, adding the troops movement will continue in subsequent days. The soldiers who are being moved have been in the conflict area for nearly three months. They were sent to the area on 1 January when the armed Zapatist National Liberation Army revolted to claim Indian rights, seized towns, and confronted the Mexican Army.

A virtual truce has prevailed in the area since 12 January when President Carlo Salinas de Gortari appointed then Foreign Secretary Manuel Camacho Solis as Chiapas peace commissioner and ordered a unilateral cease fire, to which the armed group also adhered. On 1 March, Camacho Solis and the armed group concluded a nine-day peace talk at San Cristobal Cathedral, 1,200 km southeast of Mexico City, with proposals to fulfill economic, political, and social demands. The parties agreed to discuss Camacho's proposals with the Indian communities where the armed group has influence with the country's highest authorities to seek an analyzed [word indistinct] during the second phase of dialogue.

The regional command reiterated the Mexican Army's respect for the cease-fire and its interest in reestablishing peace in Chiapas. The communique stated "we firmly assure that the Mexican Army will not at any time engage in any actions that might hinder a prompt solution to the restoration of peace and calm in this area of our motherland."

Chiapas Governor: Zedillo To Support Peace*PA3103134194 Mexico City NOTIMEX in Spanish 0930 GMT 31 Mar 94*

[Text] Teopisca, Mexico, 31 Mar (NOTIMEX)—Chiapas State Governor Javier Lopez Moreno says Ernesto Zedillo, presidential candidate of the Institutional Revolutionary Party (PRI), will support the peace agreements in Chiapas. Lopez Moreno, governor of the state affected since 1 January by the Zapatist National Liberation Army (EZLN) uprising, said Zedillo had expressed firm support for the fulfillment of the agreements negotiated by the government and rebels. At the

beginning of March, Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, and EZLN representatives agreed on several pledges through which to resolve the social problems which, according to the rebels, prompted the uprising.

Yesterday, Lopez Moreno disclosed that he talked on the telephone with Zedillo, who expressed an interest in doing away with the economic inequalities suffered by the state's inhabitants. In statements to the media during a meeting with residents of Teopisca, Chiapas, the governor said Zedillo Ponce de Leon's nomination was the best decision the PRI could make because most Mexicans identify with his work plan. Governor Lopez Moreno said Zedillo has time to continue the campaign initiated by slain PRI candidate Luis Donaldo Colosio and to win the August elections with honest and undisputable votes.

Lopez Moreno urged the residents of Teopisca "not to waste time because they have many problems" and to act immediately before the [words indistinct] concludes on 7 December. Lopez Moreno pledged to respect the decisions of those communities that choose to form municipal councils instead of municipal presidencies, and he announced that a new institutional strategy has been designed to resolve problems by regions.

MIR Molotov Cocktail Attack Injures 9*PA3103224894 Madrid EFE in Spanish 1930 GMT 31 Mar 94*

[Text] Leon (Mexico), 31 Mar (EFE)—Today, authorities reported that nine people were injured during a Molotov cocktail attack allegedly executed by members of the Leftist Revolutionary Movement (MIR) [Movimiento de Izquierda Revolucionaria] in Leon, Guanajuato, central Mexico. The attack, which occurred yesterday afternoon, has left more than 50 people homeless because it started a fire that destroyed 13 houses.

Local police reported the reasons for the incident are still undetermined, but witnesses say two men called Arturo Andrade and Rito Duran, MIR leaders, were the ones who threw the bombs. Area residents said this is not the first time the alleged culprits have attacked the area with explosives. Five years ago, the residents say, those people also threw bombs at them because they refused to pay a cooperation quota to their organization. The attack was apparently aimed against the house of Maria Guadalupe Perez, a former MIR member who decided to leave that organization a few months ago. MIR is an ultra-left political organization that emerged in the past decade and has influence in several states in central Mexico. MIR has not openly declared itself an armed group.

CTM Leader Supports PRI Presidential Candidate

PA3103162794 Mexico City Radio ACIR Network in Spanish 0000 GMT 31 Mar 94

[Report by Rosie Awatsin from the "ACIR Radio News" newscast]

[Text] Today, Ernesto Zedillo Ponce de Leon, PRI [Institutional Revolutionary Party] presidential candidate, carried out only one official engagement and met with leaders of the Confederation of Mexican Workers [CTM].

CTM Secretary General Fidel Velasquez Sanchez said it is time to recuperate the time lost from the election campaign. The CTM leader indicated that Luis Donaldo Colosio's death was unquestionably a wily crime, but we must all forge ahead and redouble our efforts in order to emerge triumphant. The workers leader was clear when he stated: We are not here to merely congratulate you, but also to wish you success. We are going to work in the campaign to ensure the party's victory.

[Begin Velasquez recording] We do not expect to merely congratulate you on your designation. We want to wish you success. For our part, we would like to promise you that through our unity and discipline, which have always been main traits of this organization, we expect to carry out all sorts of endeavors to.... [end recording, in progress]

Fidel Velasquez Sanchez also referred to the position the workers union plans to adopt with respect to workers union representatives being nominated as candidates to federal deputies and senators. He indicated: We only aspire to maintain the number of representatives we currently have and to reclaim those positions we negotiated six years ago with other political parties.

The CTM leader also complained to the PRI candidate that the governors intend to impose the names of those candidates running for deputies and senators. In this respect, he said: They are our friends, but they do not represent us.

In replying to the workers demands, PRI candidate Enrique Zedillo Ponce de Leon was clear when he said that Luis Donaldo Colosio was emphatic in his political offer when he referred to his eagerness to ensure material and social progress for Mexico. Zedillo stressed that he expects to honor Colosio's commitments.

[Begin Zedillo recording, in progress] ...members of your organizations. During these assemblies, meetings, Luis Donaldo Colosio adopted some very concrete commitments. I would like to clearly reassure you, Mr. Fidel Velasquez, that I will fully respect Luis Donaldo Colosio's commitments to the CTM and all its affiliates. [end recording]

Ernesto Zedillo Ponce de Leon also indicated the need to translate economic progress into greater possibilities of employment, wages, and, of course, a better social security system for the workers.

IFE Receives Zedillo Accreditation Request

PA3103145694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 31 Mar 94

[Report by Rebecca Sanchez Fernandez from the "Early Morning" newscast]

[Text] This Wednesday, the Federal Electoral Institute [IFE] General Council received Ernesto Zedillo Ponce de Leon's documents requesting his accreditation as PRI [Institutional Revolutionary Party] presidential candidate replacing Luis Donaldo Colosio. The formal request presented to the IFE includes documents attesting the PRI National Executive Committee's unanimous decision for Ernesto Zedillo for the 1994-2000 period. The accreditation request was presented to the IFE General Council so this institute can issue an opinion during its next extraordinary session. On the other hand, Ernesto Zedillo announced that he plans to coordinate his own political campaign.

Early yesterday morning, Fidel Velasquez Sanchez, leader of the Confederation of Mexican Workers [CTM] went to the PRI national headquarters to express his support to the new presidential candidate. Mr. Ernesto Zedillo reiterated his decision to honor the commitments with the labor sector adopted by Luis Donaldo Colosio.

[Begin Zedillo recording, in progress] ...I fully expect to honor the commitments agreed by Luis Donaldo Colosio and the CTM as well as its affiliates. [applause] I would like to be considered a supporter of the Mexican workers in order to safeguard their demands and to be their staunchest ally in defending their accomplishments. [end recording]

During an impromptu event, the PRI presidential candidate headed to the PRI press room and met with the numerous journalists following everything that has taken place. Zedillo thanked them for attending and reiterated his absolute respect for freedom of the press. He also referred to his presidential campaign and indicated that the starting date had not been decided yet.

[Begin Zedillo recording] I would like to say that so far, everything related to coordinating the campaign will fall directly under my supervision. I was doing this same type of job for Mr. Luis Donaldo Colosio, and we had developed a strategy he had previously approved and enriched with his own suggestions and great experience. I plan to follow with that same campaign plan. [end recording]

Later, Zedillo received a telephone call from Colombian President Cesar Gaviria congratulating him on his nomination. They agreed that Colombia and Mexico are

united in their desire to ensure the Bolivarian ideal of a more prosperous and undivided America.

PPS, PDM Hope Zedillo 'Will Stick' to Agreements

PA3103171094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 31 Mar 94

[From the "Early Morning" newscast]

[Text] At the time they welcomed Ernesto Zedillo into the electoral campaign as PRI [Institutional Revolutionary Party] presidential candidate, the Socialist People's Party [PPS] and the Mexican Democratic Party [PDM] said they hope Zedillo will stick to the agreements signed by Luis Donaldo Colosio.

[Begin recording] [PPS Deputy Leader Cuauhtemoc Amezcua] We hope he will make a great and responsible effort to follow up and fulfill the democratic agreements signed by eight political parties.

[PDM President Marcelo Gaxiola] Dr. Zedillo's taking up Colosio's banner and making a public commitment to follow the same course should be hailed and regarded as positive. [end recording]

Both the PPS and PDM coincided by saying evidently, the new PRI candidate is at a disadvantage in relation to the other candidates and that, for this reason, he must make a greater effort to catch up and recover lost time.

PRI Presidential Candidate, Wife Interviewed

PA3103201694 Mexico City XEW Television Network in Spanish 0430 GMT 31 Mar 94

[Interview with Ernesto Zedillo Ponce de Leon, presidential candidate for the Mexican Institutional Revolutionary Party, and his wife by an unidentified reporter at the Zedillo home in Mexico City; date not given—recorded]

[Text] [Zedillo] Well, we are a normal family, nothing special. We are a very united family as I am certain all Mexican families are. We love each other very much. We have been married for many years; we got married very young. We have been married for almost 20 years; our 20th anniversary will be in May. My wife has always been at my side, giving me her support in everything. I would like to tell you that we met when we were students; she was also an economics student. She was my student. In the first class I taught at the Higher Economics School, she was my student. I must confess, however, that before she was my student she was my girlfriend, we had met before. Fortunately, she was in the first group I was assigned at the school.

She has done everything with me. When we went to study in the United States, she gave me a great deal of support. These were times of hard work, of big challenges. She has always been at my side encouraging me to make a big effort. She has supported me during my

whole career. She has not only been a wife; she has been my friend, and many times she has been my adviser, this is very comforting. Above all, she made a decision many years ago. She was a very good student but she put set aside her profession to do this. The family you see here, these five children who we love very much are the reason for our existence. She left behind her profession to build something that for both of us represents a great deal of happiness, that is, these children.

We are a normal family, we are not anything special and this is what makes us a family like any other. We participate together in many activities, within many time constraints. You mentioned sports. Well, this is known because my sons Ernesto, Emiliano, Carlos, and I are members of a mountain bicycle club. We practice or we attempt to practice this with some regularity. This is why we are seen riding around on bicycles.

Something that characterizes Mexicans is that the family concept is not limited to the immediate family, parents and children. We have what is called an extended family. Three years ago we went to Colima—my wife is from Colima—where a family reunion was held as practically all her family resides there. The number of people assembled was impressive; the number of cousins and uncles. This really appeared to be a political meeting; which in fact we did turn it into as we had invited the then candidate for Colima governor. He was impressed to see so many people from one family.

[Reporter] So you have many votes in the family?

[Zedillo] Well, yes; I hope they will vote for me. I have to make sure, I will have to conduct an effective campaign among the family members, right? I hope all of them will help me in that respect.

[Mrs. Zedillo] Ernesto said something that I appreciate. He said I was a good student. The truth is that I enjoyed economics very much. There are some subjects that I like very much. I believe that by being at home, I have had the opportunity to read. Now, I like literature, history. I think a housewife does not have to separate herself from such things as learning. When I had my children, I had to quit working, but I like it. Staying at home is also a profession. It takes some effort, it entails much devotion, and one must be determined to do it. I like it, that is why I did it.

I come from the provinces, and early in the century, families were very large in the provinces. My father comes from a family of 11 brothers and sisters, and so does my mother, and there are all of their cousins. It is a large family. Ernesto also comes from a large family. Of course, they will help us.

Excerpts of Zedillo's Past Speeches, Writings
PA0104021294 Mexico City LA JORNADA (PERFIL DE LA JORNADA Supplement) in Spanish 30 Mar 94 pp 5, 6

["Profiles" of Ernesto Zedillo, presidential candidate of the Mexican Institutional Revolutionary Party, PRI, comprising excerpts from his past speeches and writings]

[Text]

State

A modern state stands at the forefront of society's progressive trends; it does not fear society's participation, but, rather, encourages and fosters it. A modern state works with society in taking steps toward development. To encourage modernization, a modern state withdraws from activities in which its contribution is possibly inconvenient because it discourages the private sector's activities in its own areas, or because it diverts resources to activities with a lower level of priority.

A modern state clearly understands increasing its direct participation in certain economic activities means, given the shortage of resources, a reduction of its participation in other activities; therefore, what should or should not be done in the area of economics should depend on society's real needs, thus precluding, depending on the case, the false dilemmas that result from misconstrued principles, as if such dilemmas could be placed ahead of society.

A modern state does not relinquish economic leadership, instead, it exercises it for the community's benefit, strictly within its sphere of action. (Comments on Monterrey Governor Jorge Trevino's fourth annual report, Monterrey, 15 March 1989).

Only in an efficient state which attentively attends to those areas in which its actions are strategic and have priority will it be possible to make the actions of all the sectors converge to achieve the nation's goals. (Meeting with Mexican Employers Confederation, Mexico City, second half of 1989).

The Mexican state will not neglect its relations with other countries, its sectors and social groups, or its citizens. The state will efficiently fulfill its basic duties: guarantee the *de jure* state and the people's security; reconcile the interests of all groups; promote conditions for growth, which will foster significant progress in Mexicans' well-being. The state's modernization hinges on whether this mandate is observed. Likewise, the state must direct social development by channeling the initiatives of contending sectors.

In economics, it is the state's duty to promote, encourage, guard, and coordinate national activities within the framework of the Constitution of the republic and its laws, ensuring the unrestricted exercise of established freedoms and the dignity of the human being. It is the fulfillment of these goals that will determine the

exact magnitude of the Mexican state. There is no other way; there cannot be any other way of gaging this. (Meeting with the League of Revolutionary Economists, Monterrey, N.L., 23 August 1989).

In Mexico, the crisis has also taught us lessons on certain domestic economic matters. We have learned sources of employment are lasting only when they are economically productive. We have learned it is very risky not to maintain a balance between the value of that which we produce and the value of that which we spend. We have learned it was possible for the state to be generous only to have inflation devour that which a misconstrued lavishness attempted to grant. We have learned high inflation undermines a government's popular support. We have learned a company, in which the state owns a majority or minority of shares, is still, after all, a company. We have learned profitability and gains are not ethically execrable values but, rather, they can combine individual initiative and the well-being of all. We have learned, in short, the mixed economy system, such as it is established in our Constitution, is still preferable to ultraliberalism and excessive statism. (National Economists Congress, Mexico City, 25 October 1989).

Democracy

Society's general development can be conceived only in democracy. Growth with stability is a requirement for firm progress toward the democratic ideal, which, according to the national project, is understood not only as a form of government or a legal structure but as an improvement of the people's living conditions at all levels, political, economic, social, and cultural. We should always remember economic improvement can only be justified as a national goal inasmuch as it results in better living conditions for all Mexicans. (Meeting with the National College of Economists in Toluca on 16 June 1989).

In a democracy, the state's leadership is society's leadership exercised through the agencies society selects to ensure the fulfillment of the people's will and the efficient management of public affairs.

There are no power vacuums. The absence of state leadership, or anarchy, is antidemocratic because it creates the conditions to override the people's will through decisions of authoritarian minorities. For this reason, the government in planning to expand political democracy and improve the mechanisms for agreement and social participation in the daily exercise of authority.

We advocate neither uncompromising liberalism nor the statism that outrages the people's sovereignty, extremes that belong to an antidemocracy. (Meeting with the Employers' Confederation of the Mexican republic, Mexico City, second semester 1989).

Similarly, there is a general demand for more democracy. Society eagerly desires new forms of consultation, agreement, and negotiation in the political field. Social

organizations are demanding imaginative ways for rapprochement and cooperation among government branches, the country's various regions, and organizations. There is a pressing demand for a redefinition of relations between the people and the state. (Meeting with the PRI, Mexico City, 10 July 1989).

Poverty

To break the grip of poverty, to eradicate it presupposes fighting it at the source, at the root, where it is deeper, at the root, where dissatisfaction is born and social discouragement is created.

For Mexicans, justice is the challenge to meet. It is to mount a frontal attack against poverty, without hesitation. The elimination of extreme poverty, inequalities, backwardness, and hardships multiplied by the crisis can wait no longer. We must resume our growth while recovering our ability to feel indignation over and take action against extreme poverty. (Installation of the Popular Consultation Forum on Extreme Poverty, National Palace, 21 February 1989).

We Mexicans are not indifferent to extreme poverty, which reveals our insufficiencies and urges us to remedy our shortcomings. Our economy's difficulties have been most severe on the less fortunate classes. (Party analysis of the 1989 to 1994 National Development Plan, Mexico City, 10 July 1989).

Poverty has been deep-cutting in Mexico. Meso-American cultures were far from opulent. The colonial system aggravated the situation of large segments of the population. Political independence had to be constructed within a framework of social disparity. The construction of a liberal state, fully sovereign and convinced of its progressive creed, was not sufficient to alleviate secular penury. No Mexican historic stage conceals lost paradises for which we should long or better times to which we wish to return. (International Workshop on the Fight Against Extreme Poverty, San Cristobal de las Casas, Chiapas, 3 August 1990).

Regional development

There can be no regional development if decentralization and policies of municipal strengthening do not take place along with it. Up to a short time ago, regional development was conceived as a nearly exclusive action of the public sector, with little or no participation from the social and private sectors. Regional policy appears to be a cause and effect of the government sector, as if the private and social sectors and, consequently, society in general do not play direct roles in any developmental process. For this reason, it is intended that such sectors can participate in the new regional development policy. This does not mean, however, the Mexican state will relinquish the leadership stipulated by the Constitution.

It is naive to try to attain a genuine regional development only through the application of fiscal resources

available to federal and state governments and municipal administrations. We will make the migration process stop to the extent that we succeed in creating a new economic outlook in the country. (Popular Consultation Forum on Decentralization for Regional Development, Zacatecas, 22 February 1989).

Modernization

Modernizing the country means adapting its structures to the demands of the present to progress toward national goals. Either we make the necessary changes in the process for our own good or we will be run over by the changes that would occur anyway, only without our participation. Modernizing the country is the modernization of all. The state must modernize itself as should corporations, labor and employers organizations, professional associations, and academic institutions, women and young people alike.

To stimulate modernization, the modern state desists from activities in which its participation is not advisable either because it inhibits the actions of particulars in fields peculiar to them or diverts resources to nonessential activities. In today's world, modernization implies competitiveness. It is to be aware of and accept the challenges of the international economy, to take advantage of the conveniences it offers, and overcome the disadvantages. Under present circumstances, autocracy means not taking advantage of the many things a rich international coexistence can offer. (Commentary to Jorge Trevino's fourth report, Monterrey, 15 March 1989).

Businessmen's success depends on the ability to organize production and marketing, particularly on the willingness to assume risks. For his own good, the modern businessman should not base his success on preferential and discriminatory methods, through conversations with the government. (Opening of the 2d National Congress of Consultation Enterprises, Mexico City, 15 April 1989).

Economic modernization cannot be conceived without a modernization of the public sector, a modernization that can raise the public sector's ability to meet education, health, and housing needs, as well as needs of other areas. Economic modernization entails a timely and adequate supply of the goods and services the remainder of society requires. (Meeting of the National College of Economists, Toluca, 16 June 1989).

Inflation

Constant price increases alter the economy and is a formidable punishment to the lower income groups. We Mexicans believe this situation is intolerable. Inflation distorts all economic indicators and in turn makes the decisionmaking process more difficult, encourages inadequate distribution of resources, and at the same time concentrates functional and family national income. In

addition, rising inflation rates repress financial awareness, which must be used to revitalize productive investments, and cause it to be diverted to more speculative activities. This trend blocks economic growth sooner or later. (Meeting with the National Public Administration Institute, A.C., Mexico City, 19 February 1990)

Public Enterprise

In Mexico's revolutionary history, public enterprises have been agents of social consensus and political stability. On many occasions they have also been representatives of the government's performance. Nevertheless, current times are demanding we hone public enterprises with the tuning fork of international competition, productivity, and efficiency.

Breaking up public enterprises is not the same as accepting inefficient public service; neither should it be taken as the state's withdrawal from its role as economic rector. Today's world does not tolerate such simplistic dualisms. (Program presentation on Modernizing State Enterprises, Mexico City, 14 March 1990)

Training of Economists

(During past decades)...certain radical critics began by noting that in the professional training of economists, the defense of the status quo prevailed and the study of all theories was avoided, deeming the attributes and theoretical differences as academic ways of evading a compromise with the most just causes.

The best part of that radical criticism revealed, with intelligence, the social and political implications of our activity. In several ways the criticism found a refuge in the ideological dispute to conceal its ineptitude. The existing concrete world began to evaporate; the economic reality became more distant and inaccessible; the phenomena and operations of the world economy and even of the national economy divorced themselves from rigid theoretical postures. What, in the beginning, was the defense of praiseworthy principles became a Byzantine dissertation and ended up an ideological axiom. The school gave way to revelation, which in turn gave way to dogma.

Simultaneously, in many countries other processes were being implemented; meanwhile, our professionals faced all types of confusions when entering the real world. Others, those who were graduated in private or specialized institutions abroad, took the most influential positions not only in the private sector but the public sector as well.

In Mexico—and I am sure the same goes for other countries of the continent—economists who graduated from public schools have seen their ability to exert an influence or guide the most important decisions affecting production, growth, development, determining a country's social welfare and justice. (Forum on the Training of Economists in Latin America, Mexico City, 26 March 1990).

Poll: More Guadalajara Residents To Vote for PRI

PA3103152294 Mexico City *EL FINANCIERO* in Spanish 30 Mar 94 p 12

[Report by Maria Eugenia Mondragon]

[Text] The number of Guadalajara voters who will vote for the PRI [Institutional Revolutionary Party] in the August presidential elections increased from 49.2 percent to 64.6 percent, according to a poll carried out by the Opinion Studies Center (CEO) the day after Luis Donaldo Colosio was murdered. CEO Director Cesar Morones Servin explained that due to a lack of time, the poll was to find out what the citizens' state of mind was following Colosio's murder. The survey was only conducted in Guadalajara and not in the 13 cities of Jalisco initially planned.

The survey results showed that the 49.2 percent of the people who would vote for PRI increased to 64.6 percent. In contrast, the 11.4 percent of the people who would vote for the PRD [Party of the Democratic Revolution] dropped to 6.1 percent. The people who would vote for PAN [National Action Party] increased from 15.0 percent to 17.3 percent.

A Voluble Judgment

Morones Servin explained that the results do not predict what will happen in the 21 August elections, but they do reflect the way the people felt at the time they were polled in the street. "The citizens' opinion can change when they get to the ballot boxes," he said.

According to the poll, 12.7 percent of the people in Guadalajara believe the PRI is guilty of Luis Donaldo Colosio's death; 14.4 percent say Mario Aburto killed him on his own; and 24.2 percent say they do not know. Although it was reported yesterday that Ernesto Zedillo Ponce de Leon is the PRI's new presidential candidate, the citizens of Guadalajara favored Manuel Camacho Solis as the proper person to replace Luis Donaldo Colosio.

On a personal basis, Morones Servin said preference for the PRI had increased in Guadalajara after Colosio's death because "citizens voted in favor of the country's political stability." He added: "Citizens reject any violence manifested in the country." According to the poll, he added, support for the PRI increases when violence occurs "so that it can guarantee what it has given us for so many years: stability. Colosio left PRI preferences very high and held a great gap between his candidacy and that of his closest opponent." It is possible, however, for the new candidate to change those conditions, he asserted.

The CEO, a decentralized organization of the University of Guadalajara, held its first pre-electoral poll from 16 to 22 March. As a result of the 23 March events, some of the information gathered by the CEO was superseded. Other information, however, such as how many people

want to vote, how many have their photo ID's, and the degree of trust in the electoral organizations remain valid.

Poll in 13 Cities

The CEO held its first poll in 13 cities: Mexico City, Guadalajara, Monterrey, Tijuana, Ciudad Juarez, Villahermosa, Hermosillo, Culiacan, Morelia, Veracruz, Acapulco, Torreon, and Puebla. The CEO considers these cities to represent 32 percent of the country's total population, that is, one out of every three citizens in the republic had the possibility of being polled. This makes the survey very representative.

In those 13 cities, 78.6 percent said they would vote in the upcoming elections; 8.5 percent said they would not vote; and 10.0 percent have still not decided. This shows people are very interested in participating. If this is the case, abstentionism will be surmounted. Of the total number of people polled, 81.7 percent said they already had their photo ID's and 15.2 percent said they did not have them. Regarding the people who said they did not have their ID's, 41.3 percent said they were being processed but they had not received it yet; 23.8 percent said they had not requested their cards; and 9.5 percent had not picked the card up yet.

Regarding the degree of trust that the upcoming elections will be honest, 45.5 percent said they did not believe in electoral honesty; 20.7 said they did; and 27.8 percent did not know. Asked if foreign observers would give the electoral process more security and credibility, 54.1 percent said no; 29.6 percent said probably; and only 14.3 percent said yes. Opinions on the Federal Electoral Institute (IFE) were divided because 37.3 percent do not believe it is a trustworthy organization; 34.3 percent do; and 26.4 percent did not answer.

With regard to the main national problem that the next president will have to attend, 23.8 percent said it was to improve the people's purchasing power; 21.0 percent considered it to be increasing the number of jobs; 14.2 percent said the main problem to be confronted was to have clean elections; and 16.8 percent believed it was the quality and quantity of education. The opinions of the people polled were even more divided with regard to the personal characteristics a presidential candidate should have. Most of the people polled (32.4 percent) said he has to be responsible; 20.9 percent said intelligent; 22.2 percent said honest; 3.0 percent said intelligent [as published]; 3.9 said he has to be a peacemaker; 5.0 percent said strong; and 7.1 percent did not answer. All of this data, said Morones Servin, is subject to "natural" variations. The CEO, however, will conduct six more polls to survey the citizens' feelings. The results of the last poll will be announced on 15 August.

Bank of Mexico Releases 1993 Annual Report

PA0104045994 Mexico City XEW Television Network
in Spanish 0430 GMT 31 Mar 94

[From the "24 Hours" newscast]

[Text] The Bank of Mexico has released its 1993 annual report. As of 31 December, the Bank of Mexico's international reserves were \$24,537 billion, a \$6-billion increase at the close of 1992. These figures appear in the Bank of Mexico's 1993 annual report, 172 pages of Mexico's primary economic indicators.

The Bank of Mexico cites economic trends following noteworthy achievements in Mexican economic development, like significant progress in structural changes and the control of inflation, which was reduced one digit to 8 percent, and increased work productivity and in midlevel salaries. Nevertheless, an economic slowdown may result from uncertainty regarding NAFTA ratification. Other factors that discouraged private spending in investment as well as consumption negatively impacted on employment.

The gross domestic product grew 4 percent in 1993 and the surplus in the balance of payments was higher than in 1992, accompanied by a high level of enthusiasm in nonpetroleum exports and lower deficits in the trade balance and the current account. The trade balance deficit was \$13.81 billion, a \$2.5-billion reduction compared to last year's deficit. Crude exports were reduced while petroleum byproducts increased. The average price of Mexican petroleum on the international market went down from \$14.83 to \$13.20 per barrel. In its 1993 report, the Bank of Mexico forecasts an upturn in the Mexican economy for 1994, with benefits for all the nation's sectors.

Canada Signs Accord on Satellite Communications PA3103214194 Mexico City LA JORNADA in Spanish 25 Mar 94 p 84

[Text] Mexico and Canada have signed an agreement to initiate mobile satellite communication tests and a program to check cellular phone services to be provided through the Solidaridad-1 satellite's L-band. These services include radio frequency links, radio communications networks for ships at sea, and monitoring systems for mobile units. The agreement was signed on 24 March by Telecommunications of Mexico (Telecom) and TMI Communications, Inc., a Canadian telecommunications enterprise.

Meanwhile, the trilateral transport meeting scheduled to be held by Emilio Gamboa, Federico Pena, and Doug Young, the transport secretaries for Mexico, United States, and Canada, respectively, was postponed yesterday. The meeting planned to study the possibility of facilitating the transit of cargo between the three countries. "In solidarity with the Mexican people's mourning, however, the ministers of Canada and United States asked the Mexican secretary to postpone the meeting," the Communications and Transport Secretariat has reported.

The tests outlined in the agreement between Mexico and Canada will be conducted with the Solidaridad satellite and the Canadian enterprise's control center, and they

will serve to check the operation of various types of L-band mobile telephones throughout national territory. This band permits mobile phone communications and the transmission of data for ground, air, and maritime units, as well as rural telephone communications to small and faraway communities.

Meanwhile in Vancouver, Sheila Copps, Canadian deputy prime minister and minister for environment, and Carlos Rojas Gutierrez, Mexican secretary for social

development, reached an agreement on the installation of the Environmental Commission of North America, which will be created in accordance with NAFTA's Parallel Agreement on Environment. The commission's initial duty will be to make proposals in the areas of ecosystems conservation and protection, to hold consultations related to NAFTA, to enforce regulations, to prevent pollution, to stimulate technological cooperation and institutional training, and to deal with border issues.

El Salvador

Roundup of Electoral Developments

PA3103212194

[Editorial report] The following is a compilation of reports on developments related to El Salvador's run-off elections scheduled for 24 April 1994.

Dr. Ruben Zamora, presidential candidate of the Democratic Convergence coalition, said at the Presidente Hotel on 29 March that, if the presidential run-off elections are to be held on 24 April, the Supreme Electoral Tribunal [TSE] must correct all of the mistakes made on 20 March to make the process legitimate. Zamora said: "As the coalition's presidential candidate, my position is that it is necessary, even essential, to make changes in the electoral process in order that it makes sense to hold the second round." Zamora decried the irregularities that took place on 20 March, which, he said, prevented thousands of Salvadorans from voting. He and his coalition have presented a list of 11 things to the TSE that need to be changed in the second round. He regretted that so far the TSE has failed to respond. (San Salvador Radio Cadena YSU in Spanish 1800 GMT 29 Mar 94)

On 29 March, Armando Calderon Sol, presidential candidate of the Nationalist Republican Alliance, accused the FMLN [Farabundo Marti National Liberation Front] of delaying the final vote count for the 20 March elections. He attributed the FMLN's slowness to its lack of electoral experience and asked the party to step up the final count. Calderon Sol said: "I am hereby expressing my dissatisfaction over the slowness with which members of the FMLN are conducting the final vote count. I know they lack experience and I know this is their first election following their recent induction into the Salvadoran political and democratic process. This does not mean, however, that they should have doubts and lack the resolve to abide by the law." (San Salvador Radio Cadena YSU in Spanish 1800 GMT 29 Mar 94)

Guatemala

Minister on Possible State of Emergency

PA3103232094 Guatemala City Teleonce Television in Spanish 0400 GMT 31 Mar 94

[Report on a news conference by Government Minister Danilo Parinello with unidentified reporters in Guatemala City on 31 March; from the "Telepress" news-cast—recorded]

[Text] At a news conference this afternoon, Government Minister Danilo Parinello addressed the issue of a possible state of emergency.

[Begin recording] [Parinello] We cannot rule out that possibility. We have given this issue broad discussion, and we cannot discard it.

[Unidentified reporter] The government communicate states there are groups instigating all this commotion. Do you believe any specific group is responsible?

[Parinello] At this specific moment, no, but we are investigating. We have several investigation teams working all over the country trying to determine who might be responsible for this and initiating the appropriate legal action.

[Reporter] Is there any relation between this case and the incidents at Santa Lucia Cotzumalguapa due to the instigation factor?

[Parinello] This could be part of a collective psychosis that stems from this campaign, which is not spontaneous, including graffiti in cities, along highways, walls, and so on. Things such as this have happened all throughout history and all over the world whenever someone manages to agitate the people enough to create a type of collective psychosis. [end recording]

Update on Condition of Tourist

PA3103171794 Mexico City NOTIMEX in Spanish 1620 GMT 31 Mar 94

[Text] Guatemala City, 31 Mar (NOTIMEX)—Today, the National Police reported that U.S. citizen Duncan Miller Aykena was wounded by unidentified individuals, who shot at him from a moving vehicle on a street in the Guatemalan capital. The report adds that Miller Aykena was taken to a medical center after he had been shot four times; his condition is critical.

The National Police did not rule out that the attack is the result of the psychosis that exists in Guatemala due to the "wave" of child kidnappings. The people believe these kidnappings are carried out by gangs composed of mostly U.S. citizens.

This past week in the countryside, two U.S. tourists, one reporter, and two seismologists were attacked, as well as one Swiss geologist. The Guatemalan Government has already condemned the violence against foreigners while it has asked all Guatemalans for calm as well as respect toward the tourists.

Meanwhile, Government Minister Danilo Parinello stated that the possibility of imposing a state of emergency is being studied. This would limit the constitutional guarantees of more than 10 million Guatemalans. Parinello added: "The violent and criminal actions against foreigners must stop, otherwise a state of emergency could be decreed."

Meanwhile, the U.S. Government has already advised tourists "not to travel to Guatemala," in light of a possible attack that could result in death. The Attorney General's Office confirmed that so far this year almost 66 reports of missing or kidnapped children in Guatemala have been filed.

Honduras

Government Announces Increases in Fuel Prices

PA0104044894 Mexico City NOTIMEX in Spanish
1712 GMT 30 Mar 94

[Text] Tegucigalpa, 30 Mar (NOTIMEX)—President Carlos Roberto Reina's government, which came to power last January, has announced new gasoline, diesel, and kerosene prices will go into effect beginning today. Super gasoline, which cost 8.66 lempiras per gallon (\$1.10), increased to 10.10 lempiras (a \$.20 increase), and regular gasoline went from 7.44 lempiras (\$.98) per gallon to 9.49 lempiras, a \$.35 increase. Diesel prices rose \$.70. Kerosene, used by the poor, 70 percent of the Honduran people, increased from 2.97 lempiras (\$.40) to 5.28 lempiras (\$.75). Prices for cooking gas also increased.

According to the Economy Ministry's official communique, the new price structure "does not seek to adversely affect the low-income sector." The communique stated it is "impossible" for the government to continue subsidizing fuel prices because in February it represented losses of 20 million lempiras, some \$2.5 million.

Adolfo Facusse, president of the Honduran Council for Private Enterprise, said if fuel prices decrease internationally, a fuel price increase in the entire country cannot be justified. "This will lead to an increase in the inflation rate we are experiencing, which is regrettable," Facusse has said. Luis Salgado, vice president of the National Transportation Council, has said the fuel price increase announced today will also lead to an increase in bus fares.

Congress Recommendations for Economic Plan

PA3103211794 San Pedro Sula TIEMPO in Spanish 22 Mar 94 p 6

[Text] Tegucigalpa—Congress has sent most government secretariats a document that resembles a government plan. The document includes recommendations, and it reviews issues that range from exerting financial control over decentralized institutions to eliminating the Finance Police.

The document, which bears the number 96-94/SCN, is dated 22 February, and a copy of it was provided to TIEMPO in Congress. The document contains the text of a motion approved by the legislative body regarding a total of 41 recommendations on various issues. The document also conveys claims being made by National Congress President Carlos Flores Facusse regarding a government plan.

The official note was sent to the members of the economic cabinet and the Government Secretariat to enable its recommendations "to be considered in the Economic

and Administrative Action Plan that will be prepared by the executive branch and be presented to the National Congress."

The recommendations include resuming the practice of verifying all invoices in the Tegucigalpa and San Pedro Sula offices; extending the practice to La Ceiba, Puerto Cortes, Santa Rosa de Copan, Danli, and Choluteca; and gradually establishing this practice in cities with a slower commercial pace. The reestablishment of the fiscal lottery also has been suggested.

Another proposal involves "placing more emphasis on recovering pending debts to the state by clamping down on defaulters by way of lawsuits; not handing over goods without prior payment of import duties; and suspending vehicle permits for Hondurans and alien residents who fail to pay import duties and license fees, with the exception of tourists who can prove their transient status."

Other recommendations include effectively preventing the underpricing of imports and exports, establishing administrative and criminal sanctions for offenders, and maintaining special control over the smuggling of goods and the introduction of tax-exempt vehicles, as well as the obvious underpricing of shrimp exports to the United States. It is also recommended that a modern computer system be created in combination with the Honduran Central Bank to control the authorization and use of foreign exchange and prices on exports and imports to guarantee the correct settlement of customs papers. The installation of electronic gauges to keep a tangible record of the production of fuels as well as the production of alcohol and spirits, and to establish a computerized system to estimate the oil differential [diferencial petrolero]. Another suggestion is to conduct administrative audits of the current transactions involved in exporting coffee to determine the extent of compliance and to protect fiscal interests in accordance with current laws and regulations.

Although Liberal Party deputies are killing themselves to find supporters in customs, in the document they urge "the recruitment of capable and qualified personnel into the country's Customs Division to bring under control the high degree of tax evasion resulting from the underpricing of goods and excessive appraisals at the moment the settlement of papers takes place." The document adds, "a law against contraband and tax evasion should be approved with harsher penalties than the current ones for offenders, the Finance Police should be eliminated, and a computerized accounting system to verify the entry and exit of consumer goods in the country should be sought."

Another suggestion is to exercise control over revenues earned by the national press and similar organizations, such as agricultural schools that earn money through sales related to agricultural-livestock services. Additional recommendations include exerting financial control over the Honduran Telecommunications Enterprise,

the Honduran Corporation for Forest Development, and the National Children's Board to determine the amount of revenues, expenditures, and investments; examine the financial situation of the National Agricultural Development Bank; and issue strong measures with the cooperation of the judicial branch to ban games of chance.

Panama

Television Broadcasts Presidential Debate

PA3103192694

[Editorial Report] Panama City Television Networks in Spanish at 0100 GMT on 29 March broadcast a live two-hour debate with six Panamanian presidential candidates. The debate, sponsored by the Latin American Institute of Advanced Studies (ILDEA) and the Media Committee for Presidential Debates, is moderated by Fernando Berguido and features the following presidential candidates: Ernesto Perez Balladres of the Revolutionary Democratic Party (PRD); Eduardo Vallarino Arjona of the Christian Democratic Party (PDC); Ruben Dario Carles of the Change '94 Alliance; Samuel Lewis Galindo of the Solidarity Party (PS); Jose Salvador Munoz Correa of the Panamenist Doctrine Party (PPD); and Ruben Blades of the Papa Egoro Movement (MPE).

Following a brief statement by ILDEA President Rodrigo Eisenmann, moderator Berguido explains the rules of the debate and reads a short biography on each of the six candidates present.

The debate gets under way with PRD Candidate Ernesto Perez Balladres discussing his public expenditures program: "Clearly, any attempt to try to refer to the 1970's and objectively compare the decade to the 1990's would be dubious. During the 1970's, we had an international financial liquidity situation because of an oversupply of crude oil revenues. In turn, this situation prompted the financial institutions as well as banks to implement easy credit policies. This gave us the opportunity to carry out public investments and, at the same time, to create more employment. In addition, not only did public investments increase, but the state's payroll also increased.

"Obviously, the conditions of the 1970's are not the same as those we are experiencing in 1994. Therefore, it would be impossible to repeat that experience, and, even if we wanted to—which certainly is not the case—we would not be able to because the sources of financing simply are not as accessible as in the past.

"What we have to do in 1994 is domestically create a competitive climate that will encourage private firms to invest and create the jobs all Panamanians need. In this respect, we have proposed a parallel public investment program that can be financed jointly with the private sector and will result in direct employment. For example, we have already outlined plans for construction projects, such as highway construction—particularly

along the Panama-Colon highway—as well as other specific public investments projects. These activities are urgently needed to ensure national development and also to create new jobs."

The debate continues with PDC candidate Eduardo Vallarino contending that the country's infrastructure is in such a poor state because of the restrictive spending programs of the past 25 years, and particularly of the past five years when the Endara administration decided to curtail capital improvement expenditures. Vallarino says that although he agrees there are budget constraints because of external debt pressures, he also believes there are other options available to overcome this situation. With respect to road work, other Latin American countries' experiences have demonstrated that highways can be built through privatization efforts, which include transferring highway management rights to the private sector.

In commenting on the current state of the Social Security Fund (CSS), Change '94 candidate Ruben Dario Carles says he believes that the CSS must be restructured if the institution is going to survive.

PPD candidate Jose Salvador Munoz blames the nation's unemployment problems on the ever-increasing external debt pressure, which he says curtails investments; a United States-led invasion that practically destroyed the country; and policy issues that were never addressed by the previous administration. He disagrees with the proposal that the country's employment needs should be left entirely to the private sector because the state is the only sector that can create employment in the near term.

Meanwhile, PS candidate Samuel Lewis Galindo believes the current administration has been quite insensitive to fulfilling the lower income groups' most basic needs and that the government has been more interested in repaying the foreign debt than with improving the living conditions of the lower income groups. Nevertheless, he agrees that the nation should not forfeit on its foreign debt obligations.

In commenting on Panama's role in a world in which globalization is the dominant trend, MPE candidate Ruben Blades says: "First of all, I believe it is necessary for us to pinpoint concrete objectives and strategies. As long as we fail to do this, I believe that any decision related to our joining agreements such as GATT or NAFTA cannot be taken seriously. We must first determine what Panama's role is going to be once the country has joined these treaties. Specifically, I believe that joining GATT is going to have a negative impact on the country if we do not first consult all sectors involved and if we do not determine what the advantages to the country are going to be. As a nation, we stand to lose certain comparative advantages once services are standardized.

"In this respect we should look at the banking sector. We still do not know exactly what we are getting into. It is

not only a matter of turning Panama into a market for other products, but we must protect our products." Blades continues by saying Panama must know "what we are getting into" before agreeing to join GATT or NAFTA. He adds: "We are recommending that Panama first determine which sectors can be developed as export industries before joining any treaty that would lead to the globalization of the economy."

With respect to CSS services, PRD candidate Ernesto Perez Balladares believes CSS members should be given the option to decide which social security program they wish to join. The debate continues with PDC candidate Eduardo Vallarino expressing his dissatisfaction with the "inefficiency" in which public funds are being spent, because most are being funneled into simply maintaining the bureaucracy.

In response to the question of whether Panama should become a member of NAFTA, candidate Ruben Carles says: "We must first consider our position with regard to GATT before we decide whether or not to join NAFTA. Nevertheless, we still have to settle certain issues with GATT. How can GATT attempt to liberalize trade while imposing trade restrictions on the bananas produced in Panama and the rest of Central America? Our question is this: How can you gentlemen of GATT talk of liberalizing trade while imposing restrictions on poor banana-producing countries?"

Carles goes on to question GATT's desire to sell its industrial products in Panama while placing import limits on the region's agricultural products, and he adds that his government would protect Panamanian workers, especially those who produce foodstuffs such as meat, corn, rice, beans, onions, tomatoes, and milk.

Candidate Jose Salvador Munoz is asked to explain his views on development and the roles the state and private sector should play in this development. Munoz says Panama's economy must undergo a shake-up. He says: "The Panamanian state must, out of necessity, make an initial investment in infrastructure—namely schools, highways, and hospitals—to generate the confidence, jobs, and money that are needed to make the economy function once again. Once this is done, the private sector can address the rest of the problems."

When asked to outline his tax, spending, and investment policies, candidate Lewis Galindo says the government is short of funds and that the tax collection system must be improved. Nevertheless, he says he does not favor an increase in taxes or the creation of new taxes. Instead, he would perfect the tax collection system. Galindo says: "The private sector and the state must seek mechanisms with which to create a climate favorable to investments, which will create better health services, jobs, housing, and education for the Panamanian people."

Candidate Ruben Blades is asked to comment on Panama's high unemployment rate despite its economic growth and to outline the specific steps he would take to provide permanent employment. He says: "Panama has

had an unemployment problem for many decades, many years. It is the result of not having conducted provincial-level studies to establish the natural and human resources available in each province. Once these provincial inventories—which I advocate—are conducted, we will truly understand our country's potential and we will know which areas to develop." Blades goes on to explain that unemployment comes in various stages—short-term, midterm, and long-term. He agrees with Munoz that the government must invest in the nation's infrastructure, and he adds that a job market should be created for women.

Candidate Ernesto Perez Balladares follows by discussing the solutions he would offer Panama Canal employees laid off when the U.S. bases in Panama close. Perez says the military bases are not an economic issue but a military one. He says that the bases were once needed in Panama and elsewhere, but they are now being closed because they are no longer necessary. "Numerous former military installations that were going to be closed will be reverted to Panama, the Torrijos-Carter treaties notwithstanding. Of course the treaties mandate their closure because they are no longer needed by the United States, which established them here in the first place. I believe the Panamanian people as a group must now face the challenge of turning those sites into sources of national wealth through investments and industry to generate skilled manpower for well-paid permanent jobs and especially to produce industrial and manufactured goods that can be exported."

Candidate Eduardo Vallarino is then asked what he would do to retain approximately 20 percent of the Panama Canal Commission's employees, most of whom hold key positions and who will retire on 31 December 1999 under the U.S. federal retirement system. Vallarino says the answer is simple because the people in question are Panamanians who will retire early, but who will have the knowledge and experience their country needs. "I see no reason why the Panamanian Government, through the Panama Canal Authority, cannot extend their contracts."

Returning to Carles, moderator Berguido asks what solutions his government would set forth to prevent the continued deforestation of the Panama Canal Zone. Carles responds: "The Panamanian people must understand that environmental protection is a priority. I have already announced in various parts of the country that my government platform includes a reforestation program that will be duly financed." Carles gives assurances that the reforestation sector will not be left without resources to conduct its work. He says: "Reforestation is necessary to conserve our waterways, all human life, farming, cattlebreeding, and canal operations. Without water there can be no Canal."

Jose Munoz is asked what steps his government would adopt to take greater advantage of the Canal. Munoz replies by saying that current Canal policy must undergo a shake-up, just as the economy must be shaken up.

"Gentlemen," he says, "the Panama Canal is ours, but unfortunately we have not trained any employees for administrative positions. I believe that nearly 7,000 Panamanians are employed by the Canal Commission, but the administrative positions are only filled by North Americans and third-country nationals. This must change."

Candidate Lewis Galindo is asked to express his views concerning the Canal's efficiency, cost effectiveness, and transit rates in light of the competition that exists worldwide in the field of transportation. Lewis Galindo says that almost 90 percent of the Canal workforce is Panamanian, adding that when Panamanians take over all of the administrative positions, efficiency will increase because they will be working for their country. "The Canal will make the transition from being the political institution that it is for the United States to an entirely commercial undertaking for Panama," Lewis said.

Candidate Ruben Blades is quick to point out that the reversion of the Panama Canal is a very serious problem. He says the Endara government, as well as previous governments, should have started the transition process "as soon as the ink on the treaties dried." Blades explains that since 1978, Panama has failed to do the things it should have. "On the other hand," he adds, "the United States, through Law 90-76, greatly distorted the initial purpose of the treaties. This law was presented by Messrs. John Murphy and Robert Bowman, two Republican congressmen, because the signing of a treaty does not authorize its execution; a law is required. The two gentlemen disagreed with the treaty negotiations and they presented the law, which has completely hindered the transition." My government, Blades adds, "will stand up to the United States. We will deal with Law 90-76, which is hindering the return of our Canal."

Candidate Perez Balladares is then asked a question on how to overcome the problems of a sluggish government bureaucracy and red tape. He says that the efficiency of state bureaucracy depends on the person at the helm. "I believe our efficiency can be enhanced by some form of protection; a law that makes government employees feel that their work is acknowledged, that ensures they will be well paid and that they will not be pawns in the country's political ups and downs." Regarding foreign investment, Perez Balladares says that an office will be established within the Presidency to handle government contracts. This office, he says, also will deal with local investors who want to procure government contracts.

Candidate Eduardo Vallarino is asked if his government is contemplating the construction of a Panama-Chiriqui highway, and, if so, how it would be financed. Vallarino says a transisthmian highway in western Chiriqui would be much better because Panama is an interoceanic country. His government, he explained, would take advantage of this geographic fact. Vallarino also endorses a Colon-Panama highway, which would give all of the central provinces direct access to European and

U.S. markets. As for the financing of these highways, he says this can be resolved by granting concessions to private companies to manage the highways. Vallarino blames Panama's unemployment on "a lack of investments prompted by poor economic policies, not only by the previous PRD government but by the current government, which has not invested sufficiently."

Candidate Ruben Carles is asked to respond to the authorities' neglect of Panama's historical sites and to explain his plans to deal with this situation. Carles answers by discussing the efforts of former Mayor Mayin Correa, who he hopes will return to City Hall, and Panama's potential for tourism. Carles says: "I have already spoken with some of the leading tourism firms, perhaps the top cruise lines, so that as soon as I am in a position to negotiate with them they can make specific proposals for intensive tourism development in Panama, on both the Pacific and Atlantic coasts." Carles goes on to explain that many shipping companies are willing to operate in Panama if the government can guarantee security, efficiency, and public services.

When asked how a PPD government would educate people to help them deal with a global economy, candidate Jose Salvador Munoz says his party will revolutionize education in Panama, which has been "neglected for an entire generation."

The moderator then asks Samuel Lewis Galindo about his plans to have the private sector invest in low-cost housing. The candidate answers by saying the 1972 laws which placed ceilings on rent must be revised and that existing housing must be improved, particularly in very poor neighborhoods.

To improve the effectiveness of the Public Force and the Technical Judicial Police, Ruben Blades says his party will give priority to public security because improved security is an essential requirement for investment. To do this, however, the root of the problem—"that is to say, the lack of opportunity, overcrowding, and a criminal subculture"—must be attacked. The situation will not be resolved by building larger prisons, he says. The police must be given adequate equipment, training, and leadership, and their salaries must be raised.

In discussing the legislature, candidate Ernesto Perez Balladares says: "We will explore the possibility of eliminating the position of substitute legislators, as has been done in other countries, because the position inflates the number of Assembly members and creates too much political pressure." He also says democracy entails many expenses, such as the salaries of lawmakers. He pledges to introduce legislation to eliminate substitute legislator positions and the privilege whereby legislators are permitted to import luxury cars tax free.

Discussing the demarcation of Indian regions, candidate Eduardo Vallarino says he has visited the Indians in the interior and that he agrees completely with the demarcation of these areas because Indians deserve the government's support.

Candidate Ruben Dario Carles says he will eliminate the inefficiency prevailing in the Department of Metropolitan Sanitation by assigning greater responsibility to municipalities in garbage disposal. He adds that privatization of this service could provide a better solution on a long-term basis.

Asked about his government's plans to resolve the problem of sewage being dumped into the sea and rivers, Munoz says "a drastic solution" is required, adding that the problem is not limited to sewage in Panama City but includes other population centers as well.

Regarding environmental pollution and the next generation's right to clean air, candidate Lewis Galindo says his administration would emphasize environmental education. He also says the number of cars must be controlled and other measures must be taken.

The moderator then asks Ruben Blades about the problem of deforestation. Blades answers that it is necessary to teach the people who cut down trees that they are doing great harm to the nation. He adds that the problem is closely associated with the slash-and-burn method used by peasants in Panama.

In the closing round of the debate, the candidates are given an opportunity to comment on the other candidates' remarks or give a final message. Perez Balladares speaks first, summarizing the positions he outlined earlier in the debate. He ends by saying he has no doubts that Panama will turn concern for the future into new opportunities for the Panamanian people.

Vallarino gives his final message next, saying he has observed that the Panamanian people are tired of traditional politicians and the same old promises. He says he is no traditional politician and that he will work hard to enable more Panamanians to have jobs. He finally invites people to vote for the best candidate in the 8 May elections.

In his final statement, Carles begins by saying this debate is not a debate in the true sense of the word. He adds that his party has outlined specific proposals designed to restore credibility to the state's management of finances. He concludes by saying: "I will continue to act honestly, responsibly, and firmly, as I have done all my life, apart from government and interventionist schemes that have failed, that have plunged the country into indebtedness, that have increased joblessness and corruption, and that have led the country into chaos. I will stimulate private initiative to create jobs. The Panamanian people's standard of living will be improved through more jobs and better public services. This country, particularly the young people, are entitled to a brighter future. This can be done with willingness, capability, experience, energy, and the determination to do things right. This is what my government will offer."

Jose Salvador Munoz gives his closing message next: "Tonight I have spoken about a shake-up; this is not a drastic or an arbitrary measure. What we are trying to do

is eliminate unemployment, corruption, lack of security, and other monsters that are always plotting against the Panamanian nation. I ask for your vote so that you can help me kill these monsters and create a shake-up to achieve a better country."

Candidate Samuel Lewis Galindo ends by saying: "I do not see myself as a politician and I have not been a professional politician. I have worked in private enterprise for 45 years, developing and creating business enterprises, as well as creating jobs for thousands of Panamanians. I want to offer this experience to the Panamanian state because a change is necessary."

The last to speak is Ruben Blades, who explains he comes from a family that never lost hope in the future and that he has worked very hard to make a living. Blades adds, "Hopefully, we are trying to create a common ground by way of the Papa Egoro Movement. There are some who tell me that we do not have much experience in politics. I tell them we do have experience, but only as victims of the process." Blades then says: "We are truly offering the opportunity to justify our right, as a nation, to place our hope in the field of politics." He concludes by saying, "I am a politician out of self-defense. I hope that on 8 May you will not forget us."

Roundup of Electoral Developments

PA0104043294

[Editorial report] The following is a compilation of reports on developments related to the elections scheduled for 8 May 1994.

A Marketing Ideas poll taken in Panama City for EL SIGLO puts Ernesto Perez Balladares, presidential candidate of the Democratic Revolutionary Party [PRD], in the lead with the support of 26.1 percent of respondents. Following closely is Change 94 Coalition candidate Ruben Carles with 24 percent. Papa Egoro Movement candidate Ruben Blades has remained stable with 13.2 percent; the rating of Arnulfista Party candidate Mireya Moscoso de Gruber has increased to 11.2 percent, and Christian Democratic Party [PDC] candidate Eduardo Vallarino's rating increased to 9.2 percent. The ratings of candidates Samuel Lewis and Salvador Munoz have not changed significantly. (Panama City EL SIGLO in Spanish (supplement) 17 March 94 p 8)

Electoral Tribunal President Eduardo Valdes has confirmed candidacies contested at the tribunal over the next few days will not delay the elections. Valdes has said the tribunal has already hired almost all of the 42,000 people who will work as voting officers, voting board members, supervisors, inspectors and coordinators during the 8 May elections. (Panama City Telemetro Television Network in Spanish 1730 GMT 19 March 94)

Ruben Blades says his popularity is still increasing. Blades, who has campaigned in various sectors of Panama City, said his campaign is going well, and he

refused to comment on the other candidates, saying it would be in poor taste to do so. Blades has said: "Now that the campaign is in full swing, the people are reacting positively. As I have said before, the other candidates began their campaigns much earlier, but I have taken to the streets now, and the people have greeted me warmly." (Panama City Telemetro Television Network in Spanish 1730 GMT 19 March 94)

During a tour of Rio Abajo Corregimiento, Ruben Carles urged Panamanians to preserve democracy. He said the Torrijos-Carter Treaties legalize the presence of U.S. bases in Panama. Carles said: "I will make every effort to maintain certain U.S. Army bases, which have been legally authorized to remain in Panama by the neutrality treaty, particularly by the de Concini clause, which Omar Torrijos accepted, confirmed, and approved when he signed the treaty at a ceremony in Washington, saying he was placing Panama under the Pentagon's umbrella." (Panama City Circuito RPC Television in Spanish 2300 GMT 22 March 94)

Ruben Carles has campaigned in the neighborhood of La Boca Town, Rio Abajo, Panama City, where he suffered a slight injury inside an old building that caved in under the weight of the crowd. Carles responded to the situation by saying: "The accident occurred due to the building's poor condition. The floor caved in, and approximately 12 people fell; fortunately, nothing happened." (Panama City Circuito RPC Television in Spanish 2300 GMT 22 March 94)

Approximately 21,000 workers from the National Central Organization of Panamanian Workers, CNTP, have announced their decision to support the presidential candidacy of Ernesto Perez Balladares and oppose Carles, whom they characterize as a supporter of the U.S. December 1989 invasion of Panama. CNTP Secretary General Elberto Luis Cobos stated in a communique that the working classes identify with Perez' ideology and background, adding he represents hope and an opportunity for thousands of Panamanians who have been deceived by the current government. Cobos has said "a victory by Perez Balladares would mean a return to Torrijismo and a rejection of the neoliberal policies promoted by the international financial institutions that will foster great struggles." (Panama City LA PRENSA in Spanish 25 March 94 p 13A)

The Justice and Peace Commission has released a communique regarding the political ads shown on television. The document says "political propaganda should not exploit fear, induce any form of violence, or contain general accusations." One of the ads, sponsored by an alleged "Never Again" committee, shows clips of military repression and suggests viewers should never forget the dark past. Meanwhile, Gilberto Pitti, media director at the Government and Justice Ministry, says anonymous propaganda is not illegal and that there is no law that demands these ads be signed. (Panama City LA PRENSA in Spanish 25 March 94 p 3A)

Perez Balladares says the latest polls show Change 94 candidate Ruben Carles has reached a plateau, the beginning of his decline. LA PRENSA's latest poll puts Perez Balladares in the lead with 39 percent of respondents' votes, followed by Carles with 20.5 percent. Aurelio Barria from Carles' camp reacted to Perez' remarks by saying the polls show a polarization and that Carles' popularity will increase in March. (Panama City LA PRENSA in Spanish 25 March 94 p 2A)

Yesterday, Legislative Assembly President Arturo Vallarino asked the government to increase protection for presidential candidates. Vallarino's request was prompted by the murder in Mexico of Luis Donaldo Colosio, presidential candidate of the Institutional Revolutionary Party. Vallarino said: "The electoral campaign has been peaceful thus far, but times have changed, and it would be good for the government and its security bodies to provide greater protection for the presidential candidates." In response, Carlos Bares, Institutional Protection Service [SPI] director, said increased protection for each candidate has not yet been considered and that President Guillermo Endara would have to make such a decision. (Panama City LA PRENSA in Spanish 25 March 94 p 1A)

President Endara has told LA PRENSA, the SPI will provide greater security for the seven presidential candidates to guarantee their physical safety. Endara will discuss this decision, prompted by the assassination of Luis Donaldo Colosio, with the Electoral Tribunal. President Endara said certain candidates have accepted the additional protection, but others have turned it down. (Panama City LA PRENSA in Spanish 26 March 94 p 3A)

Yesterday, Electoral Tribunal magistrates asked the political parties, candidates to public office, and news media to ensure political ads fill the requirements of the Santa Maria La Antigua electoral ethical pledge. In a "public exhortation," the magistrates said past events are important, but they can be presented in a "positive and lofty" manner to avoid upsetting the parties participating in the race. (Panama City EL SIGLO in Spanish 26 March 94 p 37)

President Endara says as long as political campaign ads do not contain personal insults or incite people to violence there is no reason why they should not be shown. Endara has said: "We must remember the things that happened during certain periods of our history, be it during my administration or previous administrations." In response to a question on the subject, Endara also denied having received calls from various ambassadors asking him to press for a decision in favor of former Mayor Mayin Correa, who stood trial on charges of misuse of government funds, and he also said he has offered the presidential candidates greater protection by the police. (Panama City Circuito RPC Television in Spanish 1730 GMT 26 March 94)

National Consensus Alliance candidate Samuel Lewis Galindo has campaigned in Anton, Coclé Province, with his running mate. Residents warmly greeted him. (Panama City Circuito RPC Television in Spanish 1730 GMT 26 March 94)

Candidates Perez Balladares and Carles, both of whom campaigned recently in Coclé Province on the same day, mutually accused each other of demagoguery. Perez suggested Carles remain in "his little rocking chair" until election day. "We have not forgotten your cruelty, arbitrariness, and prepotency, Chinchorro," Perez said. Meanwhile, Carles asked his supporters to compare his career as a public official to Perez', saying "no wealthy aristocrat is going to give me lessons in social sensibility." (Panama City LA PRENSA in Spanish 27 March 94 p 1A)

Arnulfista candidate Mireya Gruber has told Kuna Indians in Kuna Yala: "At 2000 on 8 May, she will be elected president of Panama." Gruber invited the Indians to walk up the steps of the Palace of the Herons on 1 September. She spoke of the coup in 1968, which toppled her late husband and promised to provide doctors and medicine for the Kunas, improve their education and farming systems, and provide scholarships for them. (Panama City LA PRENSA in Spanish 27 March 94 p 9A)

Papa Egoro candidate Ruben Blades has proposed the decentralization of power, which is centered in the province of Panama. He advocates giving the provinces the economic power and freedom to make their own decisions. Blades, who visited the Azuero region last week, reiterated he has no political debts and owes

himself entirely to the Panamanian people. (Panama City LA PRENSA in Spanish 27 March 94 p 11A)

During a campaign stop in Coclé Province, Mireya Gruber has said Carles' fall has affected him. Gruber answered Carles' assertions that she is tired and wants to give up and form an alliance with him. "I believe the fall he suffered from that balcony has hurt his head," she said, adding: "If he needs my votes, he can join forces with me." (Panama City Circuito RPC Television in Spanish 2300 GMT 28 March 94)

Perez Balladares has asked his supporters to remain calm as he predicted the campaign of insults will become increasingly intense during the remaining six weeks before the elections. During a tour of several areas of Panama City, Perez said: "During the remaining six weeks we are going to be the targets of all types of provocations, starting with insults and anonymous television ads that we wish were signed by the candidate who is financing them." (Panama City Circuito RPC Television in Spanish 2300 GMT 28 March 94)

Carlos Valle, assistant secretary general of the Papa Egoro Movement, says his party has nominated candidates to 77 percent of the public posts in contention nationwide. Valle, who is also one of Ruben Blades' campaign managers, has said his party is widely recognized in the provinces, even though "just a few months ago Blades and the founders of the party were virtually unheard of in remote areas." His personal view is Blades appeals to the people because they want their questions answered in simple, not technical, terms. (Panama City LA ESTRELLA DE PANAMA in Spanish 31 March 94 p 1A)

Argentina

Bear Market Causing 'Turmoil' at Stock Exchange

PY3103144794 Buenos Aires PAGINA/12 in Spanish 29 Mar 94 p 7

[Text] Blue chips were down by 4 percent yesterday. Bocon [consolidation bonds] quotations plummeted, and the Central Bank sold off the staggering amount of \$167.4 million. Obviously, this turn in business transactions has caused turmoil in the City. Stockbrokers found a new explanation for the debacle in stock prices: namely the conflict between [National Securities Commission Chairman] Martin Redrado and [Economy Minister] Domingo Cavallo. Financial circles are visibly confused, and cling to any domestic or international event to explain the decline in share prices. Given this state of affairs, bankers do not dare forecast when the present crisis will be over.

The drop in public securities parities is severely affecting the pockets of a number of stockbrokers, who had gambled on a bull market. This gamble did not turn out as expected, and they now have to pay off their debts. During the days of euphoria at the Stock Exchange at the beginning of the year, when it seemed there was no ceiling for bonds, many of these brokers closed futures transactions (purchase of papers to be paid for at the end of the month) at prices considerably higher than those current. When it was time to settle their debts in February, stockbrokers rolled over their transactions with the hope that they would be able to reduce their losses this month. But things became worse, and now losses are much greater.

Bankers have already stated that this time there will be no extension of the deadline for settling outstanding debts. Stockbrokers will thus have to pay their debts in the coming days. Many of them will have to part with some of their capital. This situation has obliged many stockbrokers to liquidate their positions, which in turn caused share prices to plunge even more. Analysts from the City have noted that the uncertainty prevailing in the leading international stock markets is affecting the Argentine Stock Exchange. They also point out that the decline in Argentine papers is greater than that of other emerging markets because of the unbridled speculation in futures transactions.

The stockbrokers that have been able to withstand all this are in no rush to purchase bonds and shares. They are awaiting the forced liquidation by those who are in tight spots financially, so that they can put in an appearance at the stock exchange when prices bottom out. This strategy was reflected yesterday in the slack trading at the stock exchange—only 38 million pesos, the smallest volume of the year. It should be pointed out that among the blue chips Tabacal was down by 8.3 percent, followed by Acindar, Bagley, Celulosa, Indupa, and Telefonica, which dropped by 5 percent. YPF [Government Oil

Deposits] shares, for their part, closed at 24.20 pesos, thus registering a 3.8 percent decline.

The sale of dollars by the Central Bank did not help at all to calm stockbrokers down. Even though experts assert that the current drain on reserves (the Treasury has lost \$514.1 million so far this month) stems from the great liquidity prevalent in the system, financial circles dislike major interventions by the Central Bank as the selling party on the exchange market. In any case they state that this issue will be a cause for concern if at the beginning of April the Central Bank does not start to recover part of the dollars it is now selling.

Bolivia

Roundup of Economic Reports

PY3103221794

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 31 March.

According to a survey by the Center of Studies for Labor and Agriculture Development, CEDLA, available savings—in real terms and not financial flow terms—gradually declined from 10.8 percent of the GDP in 1985 to barely 1.5 percent in 1991. According to the CEDLA survey, gross domestic savings totaled 15.1 percent in 1991, but after deducting foreign debt payments and including donations from friendly countries, Bolivia's available savings barely totaled 1.5 percent of the GDP. In 1991, the foreign debt's servicing was 4.8 percent of the GDP. (La Paz HOY in Spanish 15 Mar 94 Economic Section p 20)

A consortium made up of the National Mortgage Bank, the Bolivian-American Bank, and the Trading Bank, Inc., approved a \$12.5 million loan for YPFB, Bolivian Government Oil Deposits. This loan will allow YPFB to pay its floating debt. The loan establishes a 30-month repayment period and a six-month grace period. As of September, YPFB will pay a preferential interest rate of 11 percent yearly. (La Paz PRESENCIA in Spanish 15 Mar 94 Economic Section p 4)

Brazil

International Bidders Vie for SIVAM Project

94SM0284A Sao Paulo ISTOE in Portuguese 2 Mar 94 pp 62-66

[Article by Carlos Jose Marques, Luis Antonio Novaes, and Helio Contreiras]

[Text] The Amazon region, the lungs of the world—a nickname that certainly takes into account more than its ecological endowments—has in recent decades been the stage for episodes, not the least sedate, of devastation of riches. Forest burnings, mineral smuggling, the massacres of Yanomami, the activities of drug traffickers, and

landings on clandestine airstrips have all contributed to reinforce the image of a territory that is almost abandoned. A futuristic scenario full of technological installations, the latest-generation radar, mobile and stationary radio surveillance units, computerized guided missiles and an infinite array of sensor paraphernalia could soon transform this picture. An international bidding competition aimed at endowing the region with the most complete system available for protecting this country is about to be concluded. It has excited the universe of equipment manufacturers as never before. The war is a brutal one that involves billions—about \$1 billion is forecast to be spent in the first phase, and as much as \$5 billion could be spent before the system is finished—and features plenty of dramatic maneuvers. The resources available to the players are enormous: heads of government of the major powers, heavyweights of the business world, and military commandos, all engrossed in diplomatic intrigues and battles for information and under pressure from all sorts of lobbyists. At stake is one of the most generous packages of orders the industry has ever seen. "There is no project like it anywhere, and it could be the most profitable in the decade," observed Richard Breadbarry, vice president of Hughes Aircraft, one of the American giants in the control systems business that are competing for that part of the project.

Hughes, like the other competing firms, discreetly submitted its technical and commercial proposals against the background of the first drumbeats of revelry on the Saturday before Carnival. The deadline for presentation of the credit lines, a precondition for the choice of the vendors, is 4 April. The candidates have gathered in four different pools, each comprised of manufacturers of aircraft, telecommunications systems, sensors, and informatics products. The French firm Thomson-CSF, traditional supplier of radar to the Air Force, and Alcatel lead the European group that has the most experience in the Brazilian market. Unisys, NEC, Westinghouse, and Hughes make up a team that is almost unbeatable internationally in the field of surveillance and protection systems.

Raytheon, an American colossus in the area of radar manufacture, has joined IBM and Ericsson to form a pool that has nothing to apologize for. Lastly, a couple of state enterprises—Dasa (German) and Alenia (Italian)—believe their long history of services to the public sector will weigh in their favor when decision day rolls around. Besides these multinationals, seven other companies are competing independently to fill certain orders for the project, which has been dubbed the Amazon Region Surveillance System, or Sivam. As if the sheer size of the candidates were not enough, official representatives from several countries are working behind the scenes to help make this or that consortium the victor. Before it reached the desks of Brazilian officials, the proposal from Raytheon Company, one of whose biggest clients is the U.S. Department of Defense, had been hand-delivered to U.S. President Bill Clinton, who gave the

matter priority treatment. The proposal was sent to the National Economic Council, a committee comprised of 12 federal government agencies that reviews business deals of great interest to the White House. In response to Clinton's inquiry, Robert Rubin, the council's director, suggested the matter be treated in parallel with the discussion on pending Brazilian trade issues in the area of patents. In the impressive offices at the Washington headquarters of the USTR, the United States Trade Representative, commercial sanctions against Brazil were being considered because of a failure to enact laws protecting patents. According to one USTR advisor, the selection of an American group in the Amazon competition "would certainly facilitate an easing of the sanctions." Since the threat no longer exists, all that is left is the negotiation of the project.

At any rate, the Americans have no monopoly on the exercise of this kind of pressure. The European consortia, which got a head start in terms of political mobilization, also have strong backing from their respective countries. In the middle of 1993, during a trip by Finance Minister Fernando Henrique Cardoso to Europe, the subject was raised more than once during different meetings. At the lunch with local businessmen, the Amazon Region deals were the *pièce de résistance*. The managing director of the IMF, Michel Camdessus, was emphatic in stressing the importance to France of this project. At the Paris Club, which is studying the possibility of renegotiating Brazil's foreign debt, the competition and the release of the needed funding have already been mentioned. Key pieces on the game board of Brazil's external commitments, the Paris Club and the IMF can play a decisive role in the selection of the equipment manufacturers. "It is no secret that the agreement with the IMF will regulate the understandings on the project," said Brigadier General Lauro Nei Menezes (Reserve) who once headed the Air Force's Aerospace Technical Center and is now a consultant on the business aspects of Sivam. "Given the size of the transaction, the question of financing is vital and the IMF could influence it favorably," he believes.

The Brazilian Government imposed a requirement that each consortium's proposal be accompanied by a guarantee of financing, and the European and American groups are still hard at work on this aspect. "The banks are talking to each other and the best proposal for financing Sivam will depend on the evolution of an agreement on the foreign debt," said Armando Medeiros, director of special projects for Alcatel. "In our case, we will have the backing of the French government." The executive of Alcatel—a world telecommunications giant with annual sales in excess of \$20 billion—dismissed the idea that his consortium might not obtain the financing. He argues that the Europeans are going to be in a better position than the Americans to offer a more attractive financial solution, because they are not facing the same kind of official resistance. There is no question that allegations like this are ploys in the information game intended to bombard the enemy positions,

but judging by the initial reactions from the U.S. Eximbank, the American groups have something to worry about. "If the debts are not rescheduled, we will not make any deal with the Brazilian Government," warned Christopher Dorval, the bank's representative.

A letter sent in January from the U.S. secretary of commerce to Minister Mario Cesar Flores of the Secretariat of Strategic Affairs (SAE), confirms that the American groups will not get the hoped-for financing and that, at the moment, only the best "basket" of credit options is being discussed. Celso Fernandes Junior and Kenneth Hansen, IBM's representatives in one of the consortia, told ISTOE that the Americans' proposal will surprise people and that the possibility that some of the money might come in the form of donations has not been ruled out. "There is a lot of interest in the United States in supporting the project because of what it means for security in one of the most important parts of the world," Fernandes Junior claimed. The same terms are being sought by the Unisys and Dasa pools. But, during the phase preceding the selection of the best proposal, the jabbering has served to heat up the contest.

Beyond the financial bickering, there is another focal point of controversy, one that relates to the nature of the project. Because it involves participation of entities ranging from civil institutions such as Funai [National Indian Foundation] to military bodies like the National Air Defense and Air Traffic Control System (Sindacta), there are those who would like to portray it as a military-led mixed project. The Europeans are especially interested in highlighting the military aspects of the competition in the Amazon Region, for a very simple reason: American laws do not allow that country's companies to supply high-tech equipment and technology for systems that have a military purpose. This way, all the American consortia would be shunted aside with a stroke of a pen. This desire to characterize the project as military has the support of some sectors of the Ministry of Aeronautics, which would then have control over a hefty investment package, a real Christmas present in times of skimpy budgets. "We know that companies from various countries that have more flexible laws want Sivam to stay in the military area, but it will not be that way," Minister Flores has said.

Behind the scenes, the head of the SAE has been waging another intrazaural barracks battle ever since the competition was launched in the middle of last year. It is rumored in military circles that the Air Force was not happy about having lost Sivam to the SAE and is still trying to wield influence in the project. Esca-Control and Automation Systems Engineering, the company that will supervise the Sivam services, is said to be its listening post. Esca's partners, most of whom are retired Air Force colonels—among them Colonel Jose Ernesto Monteiro, who until a very short time ago was its president—are thought to have a lot of clout in Sivam. Some sector sources say this is why Esca gained a strategic position in the project without even participating in the bidding process. "The SAE reluctantly accepted the inclusion of

Esca in order to avoid problems," a high official of the secretariat said. Since 1991, the government has been Esca's biggest customer, accounting for 80 percent of its sales. The company also has strong ties to the French, because it has long been a client of Banque Nationale de Paris (BNP). The marriage of interests is further strengthened by the presence of the company Tecnasa, an electronics equipment manufacturer that will assist with Esca operations.

In the field of aircraft supply—where the project calls for orders worth \$250 million—the Dutch Fokker, represented in Brazil by the Monteiro Aranha group, yearns to come out the winner with its Fokker 50 turboprop, known as the "King Bing." "We have the greatest possible interest in this competition, and we have a suitable product," said Colonel Renato Goulart, the company representative, who hopes to sell at least four planes at a price of \$30 million each. Chief among the specifications the plane is required to meet is adaptability to carry mobile radar for AWACS systems. In that area of the competition, the Brasilia model built by Embraer [Brazilian Aeronautics Company, Inc.], has the advantage. The fact the plane is made by a domestic company and that the government needs to come to the financial rescue of the state enterprise—which, with debts of \$700 million, is still looking for oxygen to keep it alive—are aspects that will count for a lot on decision day. The consortia were advised by the coordinators of Sivam to look for a Brazilian partner.

Unisys Corporation, a mammoth in the informatics business with annual sales of around \$9 billion, has put together one of the most complete consortia in the competition—including in it some world leaders in different fields—and did not ignore this advice. Embraer also appears in its proposal. Unisys already provides 90 percent of the air traffic control systems in the United States. In Brazil, it has assumed responsibility for coordinating one of the pools in the Amazon Region project and is willing to expand its activities. "If we win, we will invest heavily in new facilities, equipment testing, and assembly laboratories," said Jose Roberto Santos, director of the company that would directly supply some of the means for surveillance, environmental control, traffic control, and weather monitoring. Hughes, which shares leadership of the pool with Unisys, was assigned the systems integration portion. NEC will handle the communications part of the job. "We will set up four telecommunications parent stations that will relay the transmissions via satellite," said Vair Doiche, products and projects manager for the group that last year had sales of \$30 billion.

In the other American consortium, Raytheon is taking charge of supplying the 17 radars that Sivam is asking for. The radars are considered to be a big slice of the orders pie, and the manufacturer that sold three systems to India, Holland, and Norway last year, reaping sales of more than \$9 billion, said this is the most attractive competition in which it has been involved in recent years. "The projects we won were on the order of \$100

million," said Carlos Gonzaga, a director of Lider Air Taxi, which represents Raytheon. "The Sivam project is at least four times as big." Bob Young, dispatched to Brazil by the American multinational especially to follow the progress of the competition, adds that the parent company considers this "the most important contest this year." IBM and Ericsson also see it that way. The former claims it has already started training specialized personnel to manage the computerized systems for Sivam. "We are ready to start," Fernandes Junior points out. Ericsson, in turn, inspired by Sivam, is reorganizing its operations in this market. In January, it brought a new executive, Bjorn Lundgren, from the home office in Sweden to preside over the green-and-yellow arm of Matec, one of the companies in the group. "Matec is bidding on the MD-110 PABX equipment for the telecommunications services under the project," Lundgren revealed. "We will be competing through Matec."

In the French camp, Thomson-CSF, which has sales of \$10 billion a year and has already supplied radar for the two phases of Sindacta, is attempting to act with some discretion. The reasons are said to be the sharp attacks leveled against it by competitors and even by some sectors of the government, unhappy with the near-monopoly the company has held in this area. The clearest demonstration of this dissatisfaction may be the company's recent loss to Hughes in the bidding to readapt radar equipment that Thomson-CSF itself supplied years ago. "This is proof that the Brazilian Government wants something more modern," said Hughes' Bradberry (as published), needling his rival. "We do not have a monopoly on supply and it is not unusual not to win a competition. We won a lot of others," alleged Gilles Piffard, a Thomson director. Piffard told ISTOE that "people are doing all sorts of things to destroy Thomson's hegemony in this field, but they will not succeed."

Weighing against the French state enterprise in the battle of information and misinformation was the accusation that at the request of its government during the Gulf War, Thomson had disconnected the radar it had supplied to Iraq. The charge, although unproven, raised fears about the security of the Amazon Region project in the event that the French radars are selected. Piffard reacted sarcastically to the report, saying: "I don't know what kind of power people are attributing to us." Armando Medeiros, director of projects at Alcatel, also came out in defense of his partner company. "What is lacking are solid arguments to counter our superior preparation." Alcatel cites as its best weapon its previous experience in surveillance systems. "We already have more than 20 years of commercial relations with the Brazilian Government, and that counts for something," Medeiros said. Truly, this is a war between giants, and predictions as to the winner are nothing more than the expressed hopes of the competitors' fan clubs. At any rate, the Amazon Region is a market that can never satiate the appetites of the rivals.

[Box p 66]

What is Sivam?

Although fictional, the classic figure of Big Brother in George Orwell's book 1984 will be getting a twin brother whose eyes are focused on the Amazon Region. Any clandestine aircraft flight, any hot spot of tree-burning or site of deforestation, the movements of the drug trade, and any sort of assault on the region will be detected in a matter of seconds and promptly countered. In practice, the system will be based on the operation of 17 radars, four communications network stations, an endless system of electronic apparatus, and the Brasilat satellite, which will transmit most of the data. Initially estimated at \$800 million, the project has grown, won the backing of Venezuela and Colombia, and now reached the billions point. Because of the situation in the Amazon Region, Sivam is vital. What is debatable is its priority at a time when the federal budget is being cut in essential areas like health and education.

Roundup of Economic Reports

PY3103220394

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 31 March.

The Sao Paulo Commercial Federation reported that February sales in Sao Paulo increased 12.28 percent compared with the same month in 1993, and that this has been the best level of sales in the country in the last three years. (Brasilia Vox do Brasil Network in Portuguese 2200 GMT 25 Mar 94)

A merger between Brastemp and Consul, both of which belong to the Brasmotor Group, was announced on 24 March by the holding company's president, Hugo Miguel Etchenique. The new company, whose merger must still be approved at an April stockholders' meeting, will be called Multibras, Inc. Household Appliances. The new company's sales will initially total \$800 million per year with exports of \$100 million. Multibras will have 10,000 employees. Etchenique said he will not shut down any factories or cut manufacturing. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Mar 94 Economy Section p B12)

Fuel prices will be increased 19.25 percent as of 26 March, the Finance Ministry announced on 25 March. Average fuel price increases totaled 42.5 percent in March as of 24 March. (Sao Paulo GAZETA MERCANTIL in Portuguese 25 Mar 94 p 16)

Finance Minister Fernando Henrique Cardoso and Sao Paulo Governor Luiz Antonio Fleury Filho on 25 March signed contracts to refinance the Sao Paulo Government's debts to the Bank of Brazil, the Treasury's agent. Three billion dollars, involving debts contracted with the Federal Savings Bank, the National Bank for Economic and Social Development, and the Bank of Brazil and

allocated for investments, have been refinanced. The debt's rollover will be indexed using the IGPM, Market Prices General Index, or the TR, Referential Interest Rate. The contracts call for 240 monthly installments. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Mar 94 Economy Section p B5)

Sao Paulo, Rio de Janeiro, and Parana States lose \$560 million per year from a commonplace maneuver in oil and oil by-products: fabricated interstate fuel sales to dodge ICMS, Goods and Services Movement Tax, collection. This type of fraud totals \$1 billion throughout our country. Illegal trade operations involve 35 percent of total oil by-products sales in our country. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Mar 94 Economic Section p B11)

Braspetro, Petrobras International, Inc., is negotiating to prospect for and produce oil and natural gas in Peru and Bolivia. In 1993, Braspetro produced an average of 22,900 barrels of oil per day in five countries: Angola, Argentina, England, the United States, and Ecuador. In Colombia, Braspetro will begin producing 600 barrels per day in the Llanos basin, while it will perform exploratory work in Libya and Norway. In 1994, Braspetro will expand its production to 31,000 barrels per day, investing \$160 million. In Argentina, Braspetro reduced its participation in the San Julian maritime basin from 53.5 to 33.5 percent. (Sao Paulo GAZETA MERCANTIL in Portuguese 29 Mar 94 Special Section p 3)

Brazilian oil reserves stand at 3.8 billion barrels, 5.5 percent higher than at the end of 1992. This reserve will last 16 years based on average production of approximately 700,000 barrels per day. (Sao Paulo GAZETA MERCANTIL in Portuguese 29 Mar 94 Special Section p 4)

Agriculture Minister Synval Guazzelli and Nidero Maki, vice president of Japan International Cooperation Agency, on 29 March signed a contract for financing the third phase of the Brazilian-Japanese Cooperation Program for the development of the Cerrado region—the Prodecer III project. The project involves agricultural development of 40,000 hectares in Maranhao and Tocantins States. The Prodecer III project will get an investment of \$138 million. Japan will provide \$83 million and Brazil \$55 million. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Mar 94 p B4)

Correction to New Justice Minister Named PY3103035294

The following correction pertains to the item headlined "Alexander Dupeyrat Named New Justice Minister," published in the 31 March 1994 Latin America DAILY REPORT, page 27:

Column two, make headline of item read: "Alexandre Dupeyrat Named New Justice Minister" (correcting spelling of first name)

Only paragraph, first sentence, make read ...Presidential special adviser Alexandre Dupeyrat is the... (correcting spelling of first name)

Chile

Carabineros Appear To Alter Demonstration Policies

PY3103170494 Santiago Radio Cooperativa Network in Spanish 1100 GMT 31 Mar 94

[Excerpts] Right-wing parties have urged the administration to send clear signals to the Carabineros on how far they can go in dealing with street incidents. Spokesmen for right-wing parties have indicated that certain attitudes recently displayed by the Carabineros could be viewed as signals this institution is sending to the Interior Ministry.

[Begin recording] [Reporter Miriam Leyman] Right-wing politicians have interpreted recent actions by the Carabineros as a clear signal to the Interior Ministry. Carabineros used only water cannons during the incidents that took place in front of the former Pedagogical Institute, while the dwellers of Villa Francia were repressed in a much harsher manner. Independent Democratic Union [UDI] Deputy Andres Chadwick said that this kind of behavior could be interpreted as a warning, and pointed out that there are the seeds of a conflict between the Carabineros and the Interior Ministry.

The motives behind the friction are many: first, the reshuffling of Carabineros high echelons, with which former Interior Minister Correa [as heard] openly interfered; second, the intentions of the current interior minister to transfer the Carabineros from the Defense Ministry to the Interior Ministry, against the wishes of the Carabineros; and third, the lack of clear-cut guidelines concerning the extent of the institution's powers to deal with public security matters. Chadwick explained that all these motives could prompt the Carabineros to send warning signals.

[Chadwick] All these actions can be considered signals. I have no idea what the Carabineros could be thinking, as I have not been in touch with them, but I can put myself in their position. Whenever the Carabineros act harshly they are immediately criticized, and steps were even taken to reshuffle their upper echelons. On the other hand, when the Carabineros take no action or get bored with all the complaining and avoid harsh measures, they are criticized just the same. Their attitude could be therefore interpreted as a sign that they need the Interior Ministry to clearly establish what the Carabineros are supposed to do, how far they can go, and what their responsibilities are.

[Leyman] Center-Right Union Senator Francisco Javier Errazuriz asked the Carabineros and the Interior Ministry for an explanation of the lack of action under certain circumstances.

[Errazuriz] I believe that the situation is very serious. Undoubtedly the Carabineros must explain why they stood by and did nothing, but President Eduardo Frei must also explain himself. He should make it clear whether this will be the policy of his administration.

[Leyman] Both legislators agreed that the administration has not defined the Carabineros' role as far as public order and the security of citizens is concerned. This situation may be irritating the Carabineros. [end recording]

The Interior Ministry has repudiated the violent incidents that took place near the former Pedagogical Institute and in Villa Francia. It announced that it would file lawsuits against those who are found responsible for such incidents. In response to articles published in certain media, the Interior Ministry explained that it has not given the Carabineros any special instructions for the handling of the incidents in question. This is what Interior Ministry Under Secretary Belisario Velasco had to say on the issue:

[Begin Belisario Velasco recording] The Interior Ministry neither directs operations nor orders them to be carried out. This is the Carabineros' job. As to general guidelines, the administration obviously has a policy, and this policy calls for preserving public order and security through the appropriate constitutional mechanisms. These mechanisms are the Carabineros and the Investigative Police. They have their own charters and procedures which they must follow. Talks are under way with the Carabineros so that every possible measure may be taken to prevent clashes and to make sure that the Carabineros' reaction will not be out of proportion with the actions of the demonstrators. [end recording] [passage omitted]

Carabineros Director General Rodolfo Stange—who went to La Moneda Palace for separate meetings with Interior Minister German Correa and President Eduardo Frei to invite them to the festivities marking the institution's anniversary—explained that the instructions for dealing with the incidents in question were issued by Carabineros Metropolitan Headquarters.

[Begin recording] [Stange] Unlike what some people have claimed, neither the Interior Ministry nor any other agency has issued instructions for dealing with these incidents. I want to make this absolutely clear.

[Unidentified reporter] General, aren't you afraid that a softer approach will make the people lose respect for the Carabineros, and that those who will suffer from the consequences of this approach will criticize you?

[Stange] I do not believe so. I really do not believe so. Because of this change of approach, the so-called day of the combatants—and I would like you to analyze what the word combatant means in this context—did not develop into something much more serious. I really believe that this was due to the Carabineros' calm attitude. [end recording]

Asked about the Carabineros' hostile attitude toward journalists covering the Villa Francia incident, during which Carabineros hurt a cameraman and damaged his equipment, Gen. Stange answered that he knew nothing about it. [passage omitted]

The Interior Ministry has filed a lawsuit against all those who may be found to be responsible for the incident that took place on 29 March near the Metropolitan University for Educational Sciences, formerly called the Pedagogical Institute. During these incidents a supermarket and a service station were damaged. [passage omitted]

New incidents broke out again on 30 March in the neighborhood of the former Pedagogical Institute, along Jose Alessandri Avenue in Macul District. The demonstrators blocked the avenue and created a traffic jam. No arrests or injuries were reported during this incident. Carabineros cordoned off the area. Their plan of action appeared to be similar to that which they implemented the day before in the same area. General (Luis Pulgar), deputy chief of Carabineros Metropolitan Zone, arrived at the site and talked to journalists. Gen. Pulgar explained that the idea was to avoid appearing to be provocateurs.

[Begin recording] [(Pulgar)] The Metropolitan Headquarters issued very clear instructions: We must not appear to be provoking the demonstrators. Yesterday's incidents were resolved, nobody was injured, and very few people were arrested. Unfortunately, there were damages. We have made an evaluation and our police procedures will have to change according to circumstances.

[Unidentified reporter] Does this mean that the Carabineros have a new strategy?

[(Pulgar)] Of course, we are changing our way of handling various circumstances. [end recording]

Indians To Resume Seizing Land Taken 'Illegally'
PY0104005894 Madrid EFE in Spanish 1526 GMT 31 Mar 94

[Text] Santiago, 31 Mar (EFE)—The Mapuche Indian "All-Lands Council" organization announced today that it will resume its policy of taking over land in southern Chile on the basis that the land was taken away illegally from the Indians.

The announcement was made at the closing of the Fourth Mapuche Tribunal held by this organization, which also was attended by especially invited Mapuche Indians from Argentina.

The Mapuche organization also decided to ask for the immediate revision of the land treaties signed by various Chilean governments and it also questioned the government policy regarding the Indian population.

Council President Aucan Huilcaman announced that the process "for recovering the land" will be resumed in the next few weeks.

Huilcaman added: "Before occupying the land we will show the documents proving that the recovered land really belongs to the Mapuche."

In 1992, Mapuche Indians belonging to the All-Lands Council peacefully occupied some land in the Ninth Region, from which they were evicted by police.

On orders from then-Interior Minister Enrique Krauss, more than 100 Indians were tried for "illegal association" and "illegal takeover of land" and some were imprisoned.

There are about 1 million Indians in Chile, of which about two-thirds are Mapuche.

During the government of President Patricio Aylwin (1990-1994), Congress approved an Indian law culturally recognizing the ethnic groups that live in Chile and establishing a series of mechanisms for their social and economic development.

The law also created the National Land Fund to help contribute to the recovery of some of the land taken away from the Indian population or to purchase new land.

Roundup of Economic Reports

PY3103222294

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 31 March.

The National Petroleum Enterprise decided to increase oil and kerosene prices. As of 26 March, 81-93 octane gasoline increases 4 pesos per liter and kerosene drops 2 pesos per liter. (Santiago Radio Cooperativa Network in Spanish 2300 GMT 25 Mar 94)

CCU, United Breweries Company, purchased 15.24 percent of the Croatian company Karlovacka Pivovara. CCU's partner, Southern Breweries Establishments, purchased 15.24 percent of the Croatian company. CCU and Southern Breweries Establishments purchased 151,126 common registered shares of Karlovacka Pivovara for 10.7 million German marks, equivalent to \$6,342,620. (Santiago ESTRATEGIA in Spanish 18 Mar 94 p 13)

Colombia

New Guerrilla Group Begins Operations

PA3103202994 Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1800 GMT 31 Mar 94

[From the "NTC News" newscast]

[Text] A new guerrilla group has begun to operate in Colombia. It calls itself Total Democracy [Democracia Total] or Radical Democracy [Democracia Radical]. According to the DAS [Administrative Department of Security] Intelligence Department, the organization is made up of former members from the M-19 [19 April Movement] and Faith, Peace, and Freedom [EPL] who are dissidents from the peace process.

The new organization's military targets are the presidential candidates, congress members, bankers, industrialists, and their former comrades, whom they accuse of treason. The director of the DAS Intelligence Department pointed out that documents found during an operation carried out by the DAS anti-kidnapping group disclosed that the guerrillas were planning multiple attacks to announce their subversive organization.

[Begin DAS Intelligence Director Ricardo Villarraga Franco recording] They think the subversive struggle should be transferred to the cities; that their support in the rural areas is not as large as they would like. They want to carry out selective attacks, as they themselves say, against the bourgeoisie in the country. [end recording]

Villarraga Franco insists this new guerrilla organization has recruited at least 20 percent of the former fighters of the four subversive organizations that demobilized. In addition, he said they are opposed to the tactics used by the National Guerrilla Coordinating Board.

The main topic of the most recent Security Council held at the Defense Ministry was the appearance of Total Democracy. The authorities feel this group cannot be underestimated, because it has grown in strength and military capability.

Roundup of Electoral Developments

PA3103194294

[Editorial Report] The following is a compilation of reports on developments related to the Colombian elections scheduled for 22 May 1994.

While campaigning in Giron, Santander Department, Conservative Party presidential candidate Andres Pastrana pledged to strengthen Colombia's industrial sector and to eliminate contraband. Pastrana said: "The country must wage a frontal assault on contraband to prevent it from plunging thousands of people into poverty and unemployment, as is now happening in Colombia." (Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 0000 GMT 26 Mar 94)

Ernesto Samper now is the sole leader of the Liberal Party, which he is reorganizing. He is forming a broad-based party that will include all sectors. Carlos Lleras de la Fuente, Rodolfo Gonzalez and David Turbay, former

presidential hopefuls who vied for the party's nomination, will be Samper's direct advisers. (Santa Fe de Bogota Inravisión Television Cadena 1 in Spanish 1730 GMT 25 Mar 94)

Gaviria's, Candidates' Proposals Compared

94SM0279A Santa Fe de Bogota EL ESPECTADOR in Spanish 6 Mar 94 pp B1-2

[Article by German Duque; first paragraph is EL ESPECTADOR introduction]

[Text] A glance at the presidential economic programs: Is Pastrana the same as Gaviria? Does Samper make the difference? Do Conservatives and Liberals have practically identical plans? Everyone talks about reconversion in their economic policies, but generally speaking, they have not restructured their ideas and programs. Pastrana preserves almost everything in Gaviria's program, even the same statistics. Some differences can be found in Samper's proposals, especially because of his emphasis on employment policy and the farm sector.

Although the country may be in the same economic situation as it was four years ago, it does not seem logical that the proposals for dealing with the problems would be just as identical, or at least very similar to those put forward four years ago.

It is clear that the country's statistics are out of date, but it is also true that the structural problems are still here. It is sad, however, to see things being treated just the same, while at the same time the "great change" is trumpeted.

The overall diagnosis, indeed, could be the same: a minority with great prosperity surrounded by ever-greater opportunities, and a majority with serious survival problems and a lack of opportunity.

In this regard, in the spirit of change that the various political campaigns are promoting, one might hope that, for example, some Conservative proposals would be markedly different from those made by the Liberals, and of course, clearly different from those of a Liberal government. Otherwise, we could not talk of change but of continuation.

On the latter point, however, it would be worth considering the possibility—appropriate, in many cases—of a Liberal candidate continuing the strategy of a Liberal government, as predecessor and current administration.

Nonetheless, in both situations, one would expect more ambitious and aggressive proposals coming from the opposition parties, since the idea is to close the gap between the haves and the have-nots, if the central diagnosis is really true and correct.

An initial face-value analysis of the features of Gaviria's "Peaceful Revolution" plan, compared to Pastrana's and Samper's current proposals, clearly reveals that there are tremendous similarities among them, especially between the first two, those of Gaviria and Pastrana.

It could be said that Pastrana liked what Gaviria did so much that he wants to keep it all practically unchanged; but it could also be said that Gaviria left so many things unfinished that Pastrana and Samper would like to continue them. That is not necessarily a bad thing, either, because a highway should not be left half done or an aqueduct without water simply because of a change in government.

The surprising thing is that some people seem to want to copy others' programs to the letter, plain and simple. For example, in the area of infrastructure, Pastrana proposes rehabilitating 1,600 kilometers of railways. Gaviria's plan contains the same figure, but it is unlikely in that sector, with Ferrovias going full steam ahead, that even 10 percent of the network has managed to be improved. Pastrana would be right to propose it again if indeed nothing had been accomplished in that sector except for the payment of huge sums of compensation to the trade unions.

Another example: Pastrana says he will seek to turn 500,000 hectares into suitable farmland. Gaviria proposed this same figure four years ago. (And if I recall correctly, Lopez Michelsen proposed the same thing 16 years ago when he created the Himat for the same purpose.) It could be argued that Pastrana is right for undertaking such a project, since it was apparently too much for the Gaviria administration to accomplish.

In the case of water, Gaviria contended that 11 million Colombians did not have potable water service (a serious symptom of poverty, or of NBI [Unsatisfied Basic Need], as it is called now). Pastrana is concerned about the same 11 million people's need for this vital liquid. Can it be that the country has not added a single liter of water to its service in the last four years?

It would appear that the Samper camp, or the Samper case (surely because he spent part of the time away from the Gaviria administration) has not been as anesthetized or as supportive of the "Peaceful Revolution."

Regarding the initiatives we have been commenting on in the area of infrastructure, they are not clear because the government platform has not been presented in its entirety.

On the other hand, it is clear that in the macroeconomic sphere, Samper is interested in making all of the economic machinery revolve around massive job creation.

He thinks that jobs are the starting point for prosperity in any Colombian family, and he has specifically pledged to create more than 1 million new jobs.

Maybe this is the characteristic that most distinguishes Pastrana from Gaviria: his emphasis on jobs.

With regard to the liberalization of the economy, both Pastrana and Samper propose that it be consolidated, but the latter is not as enamored of "wholesale" imports without "reciprocity" in trade relations, a key element in the internationalization of the economy. What this

means is that Colombia would only buy from those who buy its products. Something like the fight that has already started between the United States and Japan, serious advocates of "free trade."

All of the proposals, from Gaviria to the present, have in common ideas for industrial reconversion, export promotion, job training, productivity, competitiveness, etc., etc.,—in short, the usual menu for counteracting drastic liberalization programs.

This is a contrast to the now-famous *Asian tigers*, who first reconverted and made technological and human-capital advances, and then went out into the international market to bare their sharp teeth.

Here is a chart comparing Gaviria's government program and Samper's and Pastrana's proposals:

Economy

Cesar Gaviria

- Accelerated growth predicted, until an average of 5 percent a year is reached by the end of the presidential term.
- The number of people whose basic needs are still unmet will shrink by more than 3 million if the proposed targets of the social programs are reached.
- The most important reform is economic liberalization, eliminating administrative controls, creating the conditions for our products to become truly competitive on international markets.
- In second place are the labor reform measures aimed at bringing flexibility to one of the most rigid elements of the economy, without which the success of the liberalization would be hampered.
- A mechanism of flexible tariffs is established to regulate international trade, and a system of compensatory actions will be set up to eliminate unfair practices that harm Colombian producers.
- The quest for economic gain under the guise of legal or administrative perks bears hidden costs for society as a whole, the magnitude of which, though difficult to calculate, is significant and very harmful.

Ernesto Samper

- The strategy for attaining full employment will be based on economic growth rates above 5 percent a year, the adoption of a new style of economic and social development, and the implementation of specific employment programs.
- A social policy that will go beyond the traditional benefit-oriented approach limited to reducing the number of poor people by assuring them of a basic-level of existence or meeting their basic needs.
- A macroeconomic policy that will prevent a revaluation and stimulate investment and growth in an atmosphere of price stability; the consolidation of the economic liberalization and progress toward an internationalization that will give priority to exports and jobs.

- The specific employment programs will be aimed at overcoming the structural problems of the labor market. They will focus on the training and placement of unemployed youths and women.

Andres Pastrana

- Strong foundations will be laid to achieve growth rates above 8 percent (as Chile and China have done).
- Development will be sustainable. Its objective will be to benefit the weakest within a policy of environmental conservation.
- A pledge to enhance and consolidate the economic liberalization, to guarantee macroeconomic stability, to strengthen the productive capacity of the private sector.
- To conquer foreign markets and make exports one of the pillars of economic growth, the disadvantages faced in the labor force, technology, and infrastructure will be addressed.
- Elimination of the barriers to our competitiveness, beginning with continuation of the tariff restructuring.
- The government will not favor any particular sector or specific groups, nor will it regard the private interests of one segment of society as the engine of economic growth.

Education

Cesar Gaviria

- Achieve universal primary education and greatly expand secondary education while raising the quality of education at all levels.
- Establish a national quality evaluation system for primary and secondary education. Provide free textbooks and educational materials for all primary school students and teaching guides and support materials for teachers.
- An effort has begun to modify the structure of scientific and technological activities with a view to establishing a national science and technology system. Total public spending could reach \$116 million.
- In accordance with the new standards for scientific and technological development, promote the creation of employment training programs in the private sector.
- Discourage double sessions in public and private schools where there is universal attendance.

Ernesto Samper

- A program to strengthen and improve the quality of education for the development of the individual and the modernization of society.
- Creation and implementation of Productivity and Technological Development Centers at the sectoral and regional levels.
- A striving to consolidate a national scientific base in universities and centers of excellence, supporting basic research in strategic areas.

- Reinforcement of channels for achieving the transfer of technologies that are economically and environmentally efficient, and modernization of legislation and procedures for registering intellectual property and obtaining patents.

Andres Pastrana

- At present millions of children cannot go to school, but by the end of the decade, it will be assured that there will not be a single Colombian between the ages of five and 15 who is not receiving a basic education.
- Improvement in the quality of education, taking development needs into consideration and offering children and young adults the educational tools they need, synchronizing higher education and technology with the demands of our economy.
- Increasing public spending on science and technology from the current 0.4 percent of GDP [gross domestic product] to 1.5 percent.
- Eliminating double sessions so that students will spend less time in the streets.

Water and the Environment

Cesar Gaviria

- Increase, between 1990 and 1994, the national averages for the availability of potable water and sewage from 66 percent to 76 percent for water service and from 51 percent to 57 percent for sewage systems. This means bringing water service to nearly 6 million inhabitants and sewage service to 4 million, and attaining international levels of availability.
- As for water quality, the objective is to increase potability from 50 percent to 100 percent so that all water delivered to the community through aqueduct systems is potable.
- Eleven million people do not have water service to their homes.
- Design a strategic plan for sewage service in the major cities, and begin taking the first steps, using efficient technology that can be sustained over the long term.
- The government will promote a 10-Year Land Management Plan (1991-2000) at a total cost of an estimated \$1.061 billion. As a result, some 535,500 hectares will be improved.
- To conserve the microbasins that supply aqueducts, municipalities will be encouraged to purchase the land and use it for ecotourism, botanical gardens, and environmental education.
- The Forestry Action Plan for Colombia will develop a program for the commercial reforestation of at least 110,000 hectares between 1992 and 1995.
- Although there is no consensus on how much land is subject to deforestation, estimates range from 360,000 to 600,000 hectares each year.

Ernesto Samper

- There is a need to invest more in land management,

protection of water sources, and environmental clean-up.

- An ambitious environmental education campaign.
- Effective programs for pollution control, following the principle that it is polluters who must pay.

Andres Pastrana

- By the end of the presidential term, 90 percent of the population will have potable water service and at least 80 percent will have adequate sewage service.
- Eleven million Colombians do not have water service.
- Provide incentives for the use of unconventional technologies in sewage and waste water treatment with a view to preserving our natural resources.
- For purposes of soil conservation, promote irrigation and drainage policies that will make it possible to incorporate 520,000 new hectares of land into farming.
- Promote environmental tourism, education, and recreation so that Colombians will all become defenders of our most precious natural resources.
- It will be necessary to get the business sector involved in an ambitious program of reforestation and appropriate development of forestry reserves and the timber industry.
- There is indifference while 600,000 hectares. [as published]

Agriculture and Agroindustry

Cesar Gaviria

- Investment in irrigation and drainage gives the farm sector the flexibility it needs to deal with international competition. To get the farm sector effectively involved in the internationalization of the economy, the government must renew investment in additional land management districts.

Ernesto Samper

- Put the countryside to work under our Agriculture-Livestock Reconversion Plan. It will enable us to overcome critical short-term problems in a lasting way, to protect rural employment, and to adapt the sector to the changing circumstances of the international market.
- Adoption of selective stimuli and stable rules.
- Application of a coffee policy oriented toward reducing costs and encouraging participation in international marketing.

Andres Pastrana

- The economic liberalization has exposed the weaknesses of the agriculture-livestock sector. Farmers are not the only ones to blame for the crisis. Now it is up to the government to remove obstacles so that we can produce more efficiently and be more competitive on the international market.

Infrastructure**Cesar Gaviria**

- Cutting costs and thereby increasing efficiency and competitiveness will make a major contribution to the country's economic development.
- The target network, once completed, will cover approximately 6,300 kilometers. This means that during this decade, 1,000 kilometers of roads must be built, and 3,770 kilometers must be improved.
- The rehabilitation plan is aimed at rehabilitating 1,606 kilometers of railways between 1991 and 1995.

Ernesto Samper

- Competitiveness and the rate of expansion of productive activities are often limited by deficiencies in the country's physical infrastructure in terms of transportation, energy supplies, communications, land management, and water management.
- Existing options and projects will come under detailed scrutiny with a view to selecting those that will have the greatest impact on competitiveness and the expansion of our productive system, and establishing a rigorous order of priority for their execution.

Andres Pastrana

- Deficiencies in communications, roads, and energy raise the costs that businesses must pay for products, as well as those paid by society, and they make us less competitive. It is time we brought our infrastructure up to date.
- Build the first 750 kilometers of sophisticated freeways and 4,000 kilometers of new roads, improve 9,000 kilometers of existing roads, and provide adequate maintenance for 70,000 kilometers of roads.
- Rehabilitate 1,600 kilometers of railways.

Final Message**Cesar Gaviria**

- Upon presenting the National Development Plan, dubbed the "Peaceful Revolution," the president and his aides are concluding a very arduous intellectual voyage during which they have studied problems, debated solutions, compared alternatives, and worked out possibilities.

Ernesto Samper

- The challenges of internationalization and development require that the government, trade associations, labor unions, social organizations, and civil society in its entirety join forces to win in international competition and in the struggle against economic and social underdevelopment.

Andres Pastrana

- This program is not just the fruit of scientific analysis; it is not in vain that I have spent so much time touring the country, listening to the people's heartbeat.

Intellectual Property Agreement Praised

94SM0275A Santa Fe de Bogota SEMANA in Spanish
8 Mar 94 p 54

[Text] Not all the present government's actions have attracted the same amount of media attention. Actually, some have slipped by almost unnoticed. This is true of the reforms covering intellectual property, trademarks, and patents. In the last two years a group led by the Superintendent of Industry and Commerce, Jose Orlando Montealegre, has been modernizing the standards and procedures governing intellectual and industrial property, a process that has moved Colombia several years forward in this field. We need cite just one example: While renewing a trademark took an average of 208 weeks in 1992, with the present Integrated Industrial Property System it takes only three weeks.

This computer-based reform has greatly simplified the process. The same thing is true of the organizations handling patents and trademarks. In 1993, 29,015 trademark applications were published, while in 1992 the number was just 3,093. The time required to process a patent application has been cut from an average of 60 months to just 24. In the same way, registering a trademark, which used to take a massive length of time—40 months—can now be done in 120 days. Industry has been quick to take advantage of this improvement: last year 13,270 trademark registrations and over 800 industrial patent applications were filed.

The improvements in this area are not limited just to computerizing the proceedings. In more substantive aspects, a great leap forward has been made, leaving behind over two decades of protectionist legislation. The most significant advance for Colombia and the Andean Group countries was Decision 344 of the Cartagena Pact Commission, which brings intellectual property legislation into line with GATT's international standards and with regulations prevailing in more highly developed nations.

The decision includes some innovative features like the patentability of biotechnology, which differs from essentially biological processes used to obtain animal breeds and species. Furthermore, it allows the registration of patents for inventions related to nuclear and fissionable materials, and opens up an immediate possibility of patenting pharmaceutical products. It sets a 20-year term for all patents, eliminates the system of extensions, and strengthens legal protections for intellectual property in business. And in the area of trademarks, it ratifies the majority of the provisions now in force, simplifies registration procedures, and grants greater protection to well-known trademarks.

Perhaps the most attractive aspect of this reform is the adoption of the new industrial secrets system, which was nonexistent before. Although the text of this change is general in nature, it establishes protection for industrial secrets, which are defined as information not known or easily obtainable about productive activities that have

an actual or potential commercial value, information which is held secret and consisting of documents or any other physical form of information storage. This will help to attract foreign investors—who have traditionally been reluctant to set up operations in countries where their rights are not fully protected—and allow the transfer of foreign technology.

Because of all this, Colombia has now become a model in Latin America for intellectual and industrial property. Its computerized handling of these matters has drawn praise from WIPO [World Intellectual Property Organization], and offers have been made to export this software to Brazil and to the rest of the Andean Pact member nations. In the eyes of businessmen, Colombia now offers its investors legal protection. An avalanche of new patents may well be seen this year.

Violence, Poverty in Magdalena Banana Zone

94SAM02764 Santa Fe de Bogota EL TIEMPO in Spanish 25 Feb 94 p 9c

[Article by Gala Marcela Pena and Raimundo Alvarado]

[Text] Ciénaga, Magdalena Department—V/hat should have been a blessing for Ciénaga—some of the best land in the world for cash crops such as bananas and African palms, ports capable of serving the large-scale mining industry, a variety of climates thanks to the Sierra Nevada, and an enviable geographic position—is turning out to be a curse.

Not only is this area plagued with the factors of violence that have hit the whole country—subversives with an urban wing, paramilitarism, drug trafficking, hired gunmen, land piracy, and family feuds—but municipal and departmental authorities are literally paralyzed by the lack of resources for carrying out social programs to deal with the poverty that is overwhelming the residents of the department capital (some 100,000) and of the 30 districts or hamlets (70,000).

Along the highway between Ciénaga and Santa Marta, drivers are waylaid and robbed about 10 times a week; and since the 1960's, the Sierra Nevada, which encompasses Ciénaga, has been a center for the cultivation of marijuana, and more recently, coca and poppies. These activities, as is always the case, have led to violence.

This situation prompted the inspector general of the Army, General Juan Salcedo Lora, to say about three weeks ago that "this is one of the most troubled areas in the country."

The municipal jurisdiction has a paltry annual budget of 5 billion pesos. It has no capacity to contract debts, and is running a deficit of 1.2 billion pesos.

Mayor Victor Dangond Noguera, in view of this difficult plight, is calling for a societal response. "It is not just a

problem of armed individuals," he says, "it is a question of investment, of state presence, of absolute abandonment."

In general, public efforts in this department have borne little fruit. Governor Miguel Pinedo Vidal blames the national government. He says that all local residents see is the work of foundations set up by some banana growers and marketers, who have invested about 750 million pesos in recent years and have brought in additional state investment amounting to 430 million pesos to improve essential services and housing in towns such as Varela, Orihueca, and Rio Frio. But these are mere band-aids in the face of needs that require an estimated 35 billion pesos in investments.

In Pinedo's view, "Ciénaga is going through one of its worst moments because of subversion and common crime, but above all because of a widespread moral crisis. Every day we see how crime is proliferating."

And the director of the local office of the Administrative Department of Security (DAS), Mario Mejia, observes that many crimes are not connected, but are isolated incidents. In particular, those committed against political leaders—five have been murdered in the last four months—have caused the most anxiety. The council feels so threatened that it does not meet.

In Ciénaga and the rural area surrounding it, nine people are killed every 10 days. The victims are landowners, administrators, agronomists, workers, civic leaders, people passing through the area, and of course, the members of the 10 crime rings known to be operating throughout the region. The latter tend to have their headquarters here, particularly in the El Polvorin neighborhood, where it is very difficult to get a taxi driver to help you find an address.

Other personal and property crimes have proliferated, as well. In the capital, even the tavern on the town square was closed down for lack of customers. In Ciénaga people now go to bed early.

Fear means that the law of silence prevails, and few believe that the authorities really investigate crimes, since there is so much impunity. The fear is so widespread that officials of the Investigative Unit of the Prosecutor General's Office refuse to go to the banana-growing region for any activities unless they are guaranteed adequate protection, and that protection must become "more and more adequate."

The commander of the Army's First Division, General Rodolfo Turrado Quintero, whose office is only 15 kilometers from the area, demanded greater cooperation so that his 900 men and some 200 police officers could operate more effectively. "We are willing to do our duty. But we can do nothing if people do not cooperate, report crimes, or provide information. Without cooperation we can accomplish practically nothing," he says.

Even the Catholic Church is losing ground in the area, which covers some 112,000 hectares, 18,000 of which consist of banana plantations, because new Protestant sects are displacing it in all of these areas of misery and despair. The population has skyrocketed in these places over the last three years, due to the highly publicized boom and the cotton crisis. But the boom was neutralized by the European Economic Community's restrictions and by Hurricane Brett last August.

The only health clinics are in Rio Frio, Orihueca, El Reposo, and Guacamayal, and the doctors come every two weeks. These are the only towns with schools, as well.

None of the streets or roads are paved, and communication between towns is limited. To serve 70,000 people there is only one telephone in the entire area of Orihueca.

On a tour of the region, not a single police officer was to be seen, but soldiers were seen patrolling (the Cordova Battalion is based in the town of Santa Rosalia). They must deal with about 300 guerrillas of the Coordinating Committee, who camp in the most rugged parts of the Sierra Nevada and come down to fish in these troubled waters. According to Governor Pinedo, "We are becoming more like Uraba each day."

[Box, p 9c]

Little Has Been Done

National Planning took the lead in promulgating the Social Action Plan for the Banana Region (Pasban), which earmarked 2.6 billion pesos for projects in the 30 banana-growing towns, to be carried out by the two private foundations that operate here (Fundeban and Fundauniban), the municipal jurisdiction of Cienaga, the Agrarian Fund, Findeter, and the community.

The Pasban was supposed to be implemented over a two-year period beginning in June 1992. But since the state agencies—with the exception of the Agrarian Fund—have not come through, most of the burden has fallen on the shoulders of the two foundations. Moreover, they have had to carry out the procedures that municipal and departmental authorities were supposed to transact with the national agencies, because National Planning also abandoned them.

Sixty-nine small construction and renovation projects have been completed under the auspices of the Pasban at health clinics, schools, electrification facilities, cemeteries, chapels, aqueducts, and playing fields. The investment amounts to approximately 1.2 billion pesos.

The Solidarity and Social Emergency Fund (Foses) has just pledged with Fundauniban to contribute 208 million pesos for aqueducts in La Gran Via, Reposo-Aguja, El Salón, Soplador, and Palomar.

[Box, p 9c]

Murders Prompt Work Stoppage Yesterday

Yesterday, to protest the murder of five members of the Trade Union of Workers in the Agriculture Industry (Sintrainagro), banana workers stopped cutting and packing the fruit in the Magdalena banana region and blocked the road from Cienaga to Fundación.

The killings occurred at the entrance to the La Ceiba plantation, owned by the Compania Frutera de Sevilla, in La Esquina Caliente in the district of La Gran Via (Cienaga). The victims were Juan Jose Tapian Hernandez, 39; Jairo Francisco Villa, 35; Auden Quintero Plata, 38; Jose Antonio Torres Zaniga, 25; and Robinson Caballero, 41.

At 0530, 10 armed men in a red Daihatsu jeep with tinted windows stopped a group of laborers who were traveling in a "gasolina" (a cart pulled by a tractor or an ox). "They had Galil rifles, submachineguns, and 9 mm. pistols. They called the workers by name, referring to a list they had, and then they shot them," stated a witness.

When news of the killings spread, residents of Varela and Santa Rosalia (where the victims lived) gathered and began burning tires, painting the slogan "Down with the 'Paras'" on cars, and demanding justice.

The general secretary of Sintrainagro, Alfonso Miguél Guerrero, was murdered in his home on 14 February.

Yesterday's work stoppage affected some 65 plantations, and forced a temporary halt in exports.

Magdalena Governor Miguel Pinedo Vidal sent a letter to President Cesar Gaviria urging him to give attention to "this area, which is practically becoming another Uraba."

According to Pinedo, "Two developments have disturbed the communities in this department: The first was tropical storm Brett, which flattened 6,000 hectares, and you did not even bother to send a message of solidarity."

The second is the violence that has brought tension to an area "that used to be peaceful in other times. Today it is gripped by murder, extortion, and blackmail by organized crime and all kinds of other criminals."

Paraguay

Roundup of Economic Reports

PY3103222494

[Editorial Report] The following is a compilation of reports on economic activities in Paraguay monitored through 24 March.

Taiwan has agreed to a \$10 million "soft" loan that will be earmarked for small and medium-size industries,

especially in the country's interior. (Asuncion ABC COLOR in Spanish 18 Mar 94 p 21)

According to the Paraguayan Central Bank, its net international reserves totaled \$682.6 million in February. (Asuncion ABC COLOR in Spanish 27 Mar 94 p 20)

Engineer Luis Alberto Meyer, the Pilcomayo River National Commission director, believes Paraguay and Argentina will require \$18 million for two projects on the Pilcomayo River that must be implemented this year. Paraguayan and Argentine experts have already asked for the EEC's financial cooperation in the projects. (Asuncion ABC COLOR in Spanish 28 Mar 94 p 17)

Peru

Congressman Criticizes Ecuadoran General's Remarks

PY3103231694 Madrid EFE in Spanish 1559 GMT 31 Mar 94

[Text] Lima, 31 Mar (EFE)—Peruvian congressman Alexander Kouri of the Popular Christian Party (PPC) today regretted the declarations made by General Humberto Ordóñez, chief of the Ecuadoran 1st Army Division, who called for the recovery "with the use of arms" of the Peruvian Amazon territory claimed by Ecuador.

Kouri rejected Gen. Ordóñez' comments and noted the quick answer from Ecuadoran Foreign Minister Diego Paredes, who said the general's reaction "is part of the pressure from some Ecuadoran political groups seeking to gain support for the upcoming partial renewal of the Ecuadoran Congress."

"There is no territorial problem with Ecuador," said Kouri, who pointed out that any debate on this issue should be made based on the Rio Protocol, which in 1942 established the borders between the two countries after a war in 1941.

Ordóñez' declarations "do not deserve an answer," said Kouri, who added that now Ecuador does not recognize the Rio Protocol, saying that it is not "applicable."

Peruvian President Alberto Fujimori said on 30 March that Peru should welcome Ecuadoran President Sixto Duran Ballen "with open arms."

In relation to the new postponement of Duran Ballen's visit, President Fujimori, who is in Pucallpa in Peru's central jungle region, said: "I presume there are reasons preventing him from coming and we understand it."

"He, Sixto Duran, will find the most appropriate date; let us wait for him with open arms," reiterated Fujimori, who added that relations between the two countries are at the highest level.

The comments by the Ecuadoran general also were criticized by another congressman, Manuel Moreyra, of

the opposition Solidarity and Democracy, who said the Peruvian Government has handled its relations with Ecuador badly.

He said the government made the mistake of making Ecuadorans believe "the country can give up part of its territory. We are now paying the consequences of the bad management of our foreign relations."

"What should have been said from the beginning is that Peru will not give up a single centimeter of its territory," said Moreyra, thus agreeing with Kouri that Ordóñez' comments do not deserve an answer.

Foreign Relations Committee President Oswaldo Sandoval, from the government alliance Change 90-New Majority, said the new postponement of President Duran Ballen's visit to Peru is the result of internal political problems in Ecuador.

"It is not a final postponement," said Sandoval, who expressed his hope that the Ecuadoran president will visit Peru before the end of 1994 in answer to the three visits made by Fujimori to Ecuador.

He also added that Duran Ballen's visit to Peru is important to strengthen the links between the two countries.

Projects To Stop Poppy Growing Activated

PY3103144994 Lima EL COMERCIO in Spanish 19 Mar 94 p A5

[Text] The Ministry of the Presidency reported yesterday that the government will begin projects to stop the progress of poppy cultivation, which increased last year in the departments of Amazonas, San Martín, and Huánuco, among others.

It has been reported that the sawmill of Santa María de Nieva, which is under the Jaén Apostolic Vicariate, will be reactivated. The reactivation plan also includes the Huaquilla mining settlement in the San Ignacio forest, which is up for bidding by the Privatization Committee for exploitation by the private sector.

Priority will also be given to the Mangunchay irrigation project and to another sawmill in the San Ignacio forest, which is located in the provinces of Jaén and San Ignacio de Cajamarca.

According to the Ministry of the Presidency, these projects are aimed at giving work to thousands of people who for lack of work are motivated to cultivate poppies.

According to a report published by this newspaper last month, poppy cultivation is increasing dangerously. There is information that there are small plantations in San Ignacio, Jaén, and Bambamarca in Cajamarca.

There are also plantations in Huancabamba, Piura; in Bagua and Condorcanqui, Amazonas; and in several towns in San Martín Department, where cultivation has

spread rapidly over the last few years in Nueva Cajamarca, Rioja, Soritor, and in the valleys of Mayo, Sisa, and Biabo.

Outside the northern mountain range, the poppy grows in Sarampampa, Ayacucho Department.

The Ministry of the Presidency pointed out that the government will put into operation the reforestation of forests burned by farmers. This work will be done by the Japanese Tropical Wood International Organization and by the National Institute of Natural Resources (Inrena).

The Ministry of the Presidency admitted the imminent danger of the poppy, from which opium, morphine, and heroin are taken. This is why the government decided to stop poppy cultivation in northern Peru "before it becomes a chronic disease and the coca cartels escaping from Upper Hualaga settle down there."

The ministry said that according to the draft project of the National Plan for Drug Prevention and Control, prepared by the special commission headed by General Arnaldo Velarde Ramirez, retired, "there are worrisome indications about the starting up of poppy cultivations in various parts of the national territory, encouraged by foreign interests linked to the heroin circuit."

The Ministry of the Presidency also said: "Hunger in that zone is so great that the poppy cultivations are gradually gaining more followers. The population is already urgently asking for private investment, and demanding from the government clear rules for sustainable forest development, forcing loggers to do reforestation work with a plan guaranteeing there will always be a forest."

Poppy grows in the same ecosystem as coca, but offers greater agro-economic advantages.

While cocaine base (the basic element for making cocaine) costs from \$120 to \$150 per kilogram, opium latex (the basic element for making heroin) costs \$1,000 per kilogram.

Poppies grow under the same weather conditions as coca, giving better results at from 1,500 to 2,500 meters above sea level with cool temperatures of 10 to 20 degrees centigrade.

Regarding quantity and what could be called quality, poppies produce a greater volume of opium, which is of better quality among cultivations at high altitudes.

Poppies are planted from October to December to take advantage of the rainy season, and can also be planted in July and August. The planting is done by "throwing" the seeds onto the field.

Roundup of Economic Reports PY3103222094

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 31 March.

The executive branch approved through Supreme Decree No. 07-94-RE an agreement with the ROK Government on investments promotion and protection. This ratifies an agreement signed in June 1993 in Seoul. (Lima EL PERUANO in Spanish 21 Mar 94 p B2)

Three new banks, the Solventa Bank, the Labor Bank, and the El Libertador Bank, are awaiting the Banking and Insurance Superintendency's authorization to begin operations in Peru. The new banks are supported by Chilean investors. (Lima EL PERUANO in Spanish 21 Mar 94 p A1)

One year after recommencing exploratory drilling activities in the jungle, Petroperu, State Petroleum Agency, again struck oil in lot No. 8 of the Pavayacu and Chambira projects, with a daily production rate of 6,000 barrels of oil. Lot No. 8 is located in the northwestern region of the Amazon basin. The Pavayacu discovery in lot No. 147D will allow the extraction of 4,000 barrels of oil daily while the Chambira discovery in lot No. 123XCD will allow the extraction of 2,000 barrels of oil daily. Four companies operating on the continental shelf, the northern off-shore area, and the jungle, are producing about 130,000 barrels of oil daily while the consumption rate totals 150,000 barrels of oil daily. In the 1970's, daily oil production totaled 200,000 barrels. (Lima LA REPUBLICA in Spanish 22 Mar 94 p 5)

Manuel Vasquez Perales, the Financial Development Corporation board of directors chairman, announced on 18 March that two credit lines totaling \$115 million have been approved for this year. A \$90 million credit line was secured from the Andean Development Corporation for small- and medium-size enterprises. A \$25 million credit line will be used to support the transformation of private companies and companies being privatized. (Lima LA REPUBLICA in Spanish 19 Mar 94 p 3)

The World Bank on 19 March announced the approval of a \$150 million loan for Peru to finance a transportation reconditioning project for highways. (Lima EL COMERCIO in Spanish 19 Mar 94 p 1)

Southern Peru Copper Corporation, SPCC, secured a \$50 million loan from Japan's Mitsui and Co. Ltd. for a \$300 million SPCC investment program to increase copper production and improve SPCC operations with an emphasis on environmental protection. (Lima EXPRESO in Spanish 20 Mar 94 p A6)

Venezuela

General on Colombian Guerrilla Border Activity

PA0104130594 Caracas EL UNIVERSAL in Spanish
29 Mar 94 p 4-16

[Text] Caracas, 28 Mar (VENPRES)—Division General Egberto Artuza Delgado, commanding general of the National Guard, has indicated that there has been a gradual increase in the past months in activity by Colombian narco-guerrillas [narcoguerrilla], particularly in the Amazonian area. Artuza Delgado said this at the end of a meeting with Pompeyo Marquez, special minister for border affairs, whom he briefed on the prevailing situation in the border area and the operations being conducted there by the National Guard.

Artuza Delgado pointed out that the National Guard is aware that drug traffickers have set up cocaine processing laboratories and have planted cocaine fields in Colombian territory near the Venezuelan Amazonian area. He explained that the existence of these cocaine fields also draws guerrillas closer since they are in charge of protecting production of the drug. Artuza Delgado termed this situation "very serious."

Later, referring to the resources the National Guard needs for border operations, he added that the National Guard is aware of the country's fiscal situation and that is why it has changed its conduct. According to Artuza, the National Guard will have to learn to manage the resources assigned for border operations more efficiently.

Colombian Drug Traffickers Reorganizing Along Border

PA3103220494 Caracas EL UNIVERSAL in Spanish
25 Mar 94 p 4-24

[Report by Jose G. Ramos]

[Text] Following a number of inspections along the border with Colombia, agents from DEA and other international organizations have determined that 80 percent of the drug traffic that passes through Venezuela—some 100-150 tonnes a year—crosses the border between the states of Zulia and Tachira.

MAS [Movement for Socialism] Deputy Julio Montoya has reported that the Perija Cartel has appeared along the Venezuelan border as a result of the displacement and reorganization of the Medellin Cartel's medium-level leaders. This comes after Colombian authorities dealt the drug traffickers smashing blows by killing or arresting their topmost leaders as part of the fight against drug trafficking in Colombia.

Montoya said he has proof that the kidnapping of cattlemen along the border—which occurred last year at the alarming rate of three kidnappings per month along the country's western border, and, so far this year, has risen to four per month—is the result of a plot being

carried out by the Colombian drug cartels. He said the drug traffickers' strategy is to force hacienda owners to leave the area to allow traffickers to buy the abandoned property with laundered money. According to Montoya, "Once this is done, the region will become an operations center with the installation of labs and other infrastructures to process drugs."

According to the investigation conducted by Montoya, six of every 10 haciendas in the area have been put up for sale because of the hacienda owners' fear over the current situation. He said: "The effect on our agriculture and livestock industry is evident—lower production of beef, milk, and several agricultural products."

Deputies Debate Investigation of Finances

94SM0278B Caracas EL UNIVERSAL in Spanish 18
Feb 94 p 11 Section 1

[Article by Carlos Subero]

[Excerpts] The Chamber of Deputies yesterday unanimously agreed to open an investigation into the financing of the election campaigns of congressmen and parties and, in general, the financing of political leaders by any financial institution.

The motion was one of four passed yesterday as the climax to a heated debate that the COPEI [Social Christian Party] bloc had begun in connection with Pablo Medina's charges against Oswaldo Perez Paz, Leonardo Ferrer (former speakers of the house) and Luis Carlos Serra Carmona (Democratic Action [AD]-Zulia-elected by party slate).

The investigation will be conducted by an ad hoc committee that may commission the appropriate legal bodies to furnish pertinent evidence. The motion was made by MAS [Movement Toward Socialism], one of whose members recalled operation "Clean Hands" in Italy, saying that this could be done in Venezuela as well. In light of the motion, the deputies seem willing to investigate themselves.

The COPEI and AD blocs demanded that Medina submit evidence to back his assertions that these three political leaders carry "free" credit cards from the Banco Latino. In speeches by several Cause R congressmen, the party rejected the AD and COPEI demands and accused these parties of being financed by the Banco Latino. Similar charges were leveled at Cause R, which was said to have been financed by a banker who is suspected of money laundering. These and other general and personal charges abounded during the debate between AD, COPEI, and Cause R, while the ruling coalition of Convergence-MAS stayed on the sidelines. [passage omitted]

This was the atmosphere during the debate, in which MAS and Convergence tried merely to reconcile the feuding parties, by the way. After it was over, the speaker

of the chamber, Carmelo Lauria (AD-Miranda-elected by party list), said that it was the saddest debate that he had ever witnessed.

Turning the Tables

The debate seemed to be heading towards a summons for Pablo Medina when a speech by the head of the MAS bloc, Segundo Melendez (Lara-elected by name), gave it a new turn. Melendez spoke of Congress's battered image and also about the irresponsible charges that are being made as pure pretexts. He added, though, that the substance of Medina's assertions cannot be resolved merely by summoning him to testify; rather, the financing of parties and campaigns through the Banco Latino has to be investigated.

His motion turned the debate around, and Ramos Allup (AD-Carabobo-elected by party slate) rounded out his suggestion by calling for the investigation to be extended to the relationship between politicians and any financial institution, not just the Banco Latino.

Italy's Democracy Withstood It

Another of the political speeches that stood out was delivered by Deputy Julio Montoya (MAS-Zulia-elected by party slate), who said that Congress has to dispel the idea that its members are a bunch of loafers. He announced that Convergence and MAS, after the debate on the floor, had agreed to support the investigation into all politicians and their ties to banks. "Italy's democracy withstood it," the MAS deputy said, bringing applause from Jose Rodriguez Iturbe (COPEI-Zulia-elected by name).

The purpose of immunity is for deputies to defend citizens, nothing else. The corrupt are the ones who should be afraid, said Montoya, who in passing expressed his view that Caldera is the country's leading democrat and is not thinking about a Fujimori-style coup. He went on to say that there ought to be a judge in the investigation because "the country will not believe it if a committee of deputies exonerates a fellow deputy."

The momentous motion to investigate the financing of parties and politicians passed unanimously in the end, as did a motion by Perez Vivas to have the speaker of the chamber urgently ask the board overseeing the Banco Latino to submit a report indicating whether there is a list of people who own free credit cards and who they are. Also passing unanimously was a motion by Vladimir Villegas (Cause R-Federal District-elected by name) whereby the chamber would ask the Bicameral Committee for a report on the charges by Pablo Medina and on details of the relationship between, on the one hand, political parties and members of the previous legislature and, on the other, the Banco Latino.

Finally, the AD and COPEI blocs agreed to summon Medina to submit evidence in support of his charges

against Alvarez Paz, Ferrer, and Serra. Cause R, Convergence, and MAS abstained.

The deputy who brought all this on was not on the floor. Pablo Medina was waiting in his congressional office for newsmen so that he could level another charge at Alvarez Paz, Ferrer, and the political leadership of AD and COPEI. Questioned about the evidence that he is being called on to submit, he replied: "It will come out." He talked about Ferrer's debts to the Banco Latino: promissory note 64422 for 22.85 million bolivars, which fell due on 10 September 1993, with an overdraft of 3,586,446.55 bolivars.

Chamber of Deputies Committees Formed

94SM0278A Caracas EL UNIVERSAL in Spanish 24 Feb 94 p 15 Section 1

[Text] The standing committees of the Chamber of Deputies were established definitively yesterday when the speaker of the house, Carmelo Lauria, approved their makeup.

The speaker asserted that with the establishment of these committees "Congress will start to work at full capacity and must greatly improve its legislative efforts."

The formation of the working committees had been paralyzed by the political controversy that arose when their chairmen were to be appointed. This controversy prompted the first political crisis of the new Congress and created great confusion among the public.

The following is a list of the committee chairmen and the party to which they belong:

Domestic Policy: Enrique Ochoa Antich, Movement Toward Socialism (MAS) Foreign Policy: German Monzon, Convergence Defense: Ibrahim Sanchez, COPEI [Social Christian Party] Economy: Gonzalo Perez Hernandez, National Integrity Movement-Convergence Comptrollership: Paulina Gamus, Democratic Action (AD) Finance: Gustavo Tarre Briceno, COPEI Agriculture: Amilcar Aponte, AD Mass Media: Manuel Hidro Molina, MAS Tourism: Isora Rojas, AD Environment and Land Use: Cesar Perez Vivas, COPEI Youth, Recreation, and Sports: Vladimir Petit, COPEI Administration and Services: Aristides Hospodales, AD Against the Improper Use of Drugs: Luis Emilio Rondon, AD Energy and Mines: Ali Rodriguez, Cause R. Education: Pablo Gonzalez, AD Culture: Jose Albornoz, Cause R. Science and Technology: Lelia Paez, Cause R. Social Affairs: Victor Moreno, Cause R. Health: Luis Parodi, COPEI Neighborhood Affairs: Alberto Salcedo, Cause R. Regional Development: Emilio Loper, COPEI Planning: Julio Castillo, MAS

Lauria emphasized that this time the committees are more pluralistic as their chairmen and deputy chairmen belong to different political forces. Traditionally, both were from the same party, which in practice meant that the deputy chairman was merely the chairman's alternate.